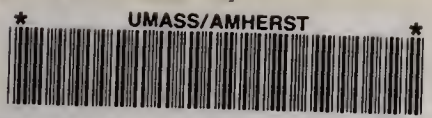


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1

CASH BENEFITS PRIMER:  
  
A SUMMARY OF MASSACHUSETTS'  
FINANCIAL ASSISTANCE PROGRAMS  
FOR LOW-INCOME FAMILIES

GOVERNMENT DOCUMENTS  
COLLECTION

PREPARED BY:  
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#### ADDENDUM

As noted in the Introduction, this document reflects the best information available during December 1980. After it went to press, several changes were made in the formula for calculating the dollar amount of federally-funded food stamps to which a particular family may be entitled. An AFDC family of three with no other income (as mentioned on pages 12 and 53) would receive about \$30 in additional food stamps each month as a result of this change, resulting in a total food stamp allotment of roughly \$100 to \$130.

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## INTRODUCTION

This Cash Benefits Primer summarizes the three major financial assistance programs for low-income people in Massachusetts: Aid to Families with Dependent Children (AFDC), General Relief (GR), and Supplemental Security Income (SSI).

Nearly half of those who receive welfare payments in the state are children (over 45%). The remaining recipients consist of the mothers of these children (24%) and some fathers eligible for AFDC (1%); persons who qualify for GR, usually because of mental or physical limitations (4½%); and the state's SSI recipients, who are either elderly (14%), disabled (10½%) or blind (1%).

AFDC, GR, and SSI are designed to meet different needs. The AFDC program provides assistance to dependent children who have been deprived of the financial support of one or both parents because of divorce, separation, death, disability or unemployment. Both federal and state funds are used to provide cash grants averaging \$300 to \$350 per month to about 120,000 families throughout the state. Massachusetts spent about \$272 million in federal funds and \$255 million in state funds on this program during fiscal year 1980.

General Relief provides state-funded grants, typically about \$175 per month, to about 21,000 people who are not capable of working but who do not qualify for any federally-reimbursed programs. Most of these recipients have mental or physical disabilities, though there are several additional categories of eligibility. For example, a few needy families with children receive GR, usually because a parent works more hours than



permitted by AFDC regulations but still makes very little money. And some people receive GR while waiting for their SSI applications to be processed. During the 1980 fiscal year Massachusetts provided about \$47.4 million in GR benefits.

SSI is a federal program, supplemented by state funds, which assures that needy aged, disabled, and blind persons living in Massachusetts will have a monthly income of \$300 to \$400, depending upon their circumstances. About 130,000 Massachusetts residents receive some or all of their income from this program. During fiscal year 1980, these benefits totalled \$243.7 million, including about \$115.7 million in federal funds and \$128 million in state funds.

DPW administers the AFDC and GR programs, while SSI recipients receive their monthly checks from the regional Social Security office since it is more economical to have that office administer both state and federal shares. Each program has its own set of policies and regulations, which must be written to exclude persons who do not qualify while spelling out the manner in which benefits may be provided to those for whom the programs were intended. Like the income tax regulations, these regulations must be written to cover tens of thousands of different family situations in a manner reflecting legislative intent. This "Primer" attempts to summarize many of these regulations without oversimplifying, but the reader should be aware that not every detail can be presented in these pages. To find out whether someone is eligible or not, or to learn more about these programs, readers should contact either their local welfare office (for AFDC and GR) or their nearest Social Security office (for SSI).

Data and estimates presented in the text represent the best

information available to this office at the time this "Primer" was written, either for the 1980 fiscal year or from the best available sources covering earlier periods. It is hoped that readers will recognize the limitations inherent in the use of sample caseload data, and arising when different organizations use different analytical methods and nomenclature to study topics such as inflation, family budget needs, or welfare benefit levels. Because of these limitations, detailed comparisons between statistics (rates, averages, totals, ranks, etc.) can only be meaningful if appropriate technical qualifications are adequately taken into account. Unfortunately, a full presentation of these complexities is beyond the scope of this brief document.



CHAPTER ONE  
AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC)

A. PROGRAM OBJECTIVES

The AFDC program was established by Title IV-A of the Social Security Act to help children who have lost the support of one or both parents ("dependent children"). The program was designed to protect children from indigency through a program of financial assistance to children and the family members who provide care for them.

The current AFDC program is designed to encourage as much financial support from parents as possible. Each applicant must satisfy work registration requirements before a grant can be approved, and must cooperate with the state's efforts to locate and obtain support from an absent parent who has deserted the family. Additionally, the program contains built-in financial incentives to encourage AFDC recipients to work while receiving aid. Thus, the intent of today's program is to provide income only to the extent that families cannot reasonably be expected to support themselves.

B. PROGRAM HISTORY

Until the mid-18th century, indigent children were generally placed in Alms Houses, Houses of Industry, and Houses of Correction; or were indentured or even auctioned off to the highest bidder. Later, indigent children were separated from adults and placed in reform schools.

The original AFDC program - Aid to Dependent Children or "mother's aid" program - was instituted in 1935 and represented the first time that federal funds were combined with local aid to provide direct financial



assistance to children in poor families. In Massachusetts, the program was first administered by individual cities and towns through semi-autonomous Boards of Public Welfare. In 1968, the state assumed administrative control of the program through DPW.

Since the program's inception, new laws and policies have brought about a number of changes in the AFDC program and its administration.

These developments, summarized in Appendix A, have included:

- Implementation in 1961 of a state option to extend benefits to two-parent families in which the primary earner is unemployed;
- Partial federal support of an extensive program of medical benefits for qualifying low-income families through the Medicaid program, implemented in Massachusetts in 1966;
- National introduction in 1967 of the Work Incentive Program (WIN), which helps AFDC recipients prepare for and find work;
- Massachusetts' implementation, in 1975, of a simplified procedure for calculating the AFDC grant, which eliminated certain detailed budget calculations; and
- Creation of Massachusetts' Department of Social Services, in 1980, to implement many social service functions which had formerly been assumed by DPW.

Other changes have come about in recent years as DPW has continued its efforts to reduce errors and inconsistencies throughout the state's welfare system.

#### C. PRESENT PROGRAM

AFDC provides semi-monthly cash grants to eligible families in which children have been deprived of the care or support of at least one parent due to death, continued absence from the home, physical or mental incapacity, or unemployment. The children in such families are designated "dependent"<sup>1</sup> children due to their loss of normal parental support.

Most AFDC families consist of a female parent with one or two dependent children.<sup>2</sup> Massachusetts has elected that aid shall also be provided to pregnant women, and to some two-parent families in which the primary wage earners are disabled or have experienced protracted unemployment and exhausted their unemployment benefits.<sup>3</sup>

#### Application Process

The sequence of events in an AFDC application is portrayed in Figure AFDC-1. When a family applies for AFDC, an interview with a DPW assistance payments worker is arranged. The requirements of the program are stated in relation to the applicant's description of the family's situation. If the applicant then wishes to apply, the staff member requests more detailed information which must be documented before eligibility can be established.<sup>4</sup>

In general, it is necessary for a family to visit a local welfare office to learn whether or not the family is eligible for AFDC. Matching the details of each family's situation to the details of the AFDC program requires a careful review by a trained staff member.

#### Eligibility

Federal AFDC eligibility criteria are interpreted by the Department of Public Welfare through the rules, regulations and policies established in its AFDC Policy Manual.<sup>5</sup> There is considerable complexity in these regulations, because of the need to anticipate many different types of family situations.<sup>6</sup>

Family composition and income are the principal determinants of eligibility, through the categorical and financial criteria outlined below.



Categorical Eligibility. To be eligible for AFDC in Massachusetts, a dependent child must be living with a relative in a place of residence maintained as a home.<sup>7</sup> The following categories of families may be eligible, provided that they also meet the financial eligibility criteria:

- One-parent families, consisting of at least one dependent child and a parent;
- Dependent children living with relatives<sup>8</sup> who are not legally required to support them (and who may or may not be eligible for aid themselves, depending upon their financial circumstances);
- Pregnant women (who may qualify for AFDC on the basis of their unborn children);
- Two parent families with one or more dependent children and a disabled parent; and
- Two-parent families with one or more dependent children and an unemployed parent who has a recent work history, has registered for work, and has exhausted unemployment benefits.<sup>9</sup>

There are significant minor variations in these categories from state to state, as summarized in Table AFDC-1 and its footnotes.<sup>10</sup> In Massachusetts, families whose composition is not accurately described by one of the foregoing categories are not eligible for AFDC, regardless of their financial situation.<sup>11</sup>

Financial Eligibility. Eligibility is further restricted by limitations on the amounts of assets and income a family can have. The following conditions are imposed by Massachusetts, subject to certain broad federal guidelines.

Assets limitations. The combined personal property of persons included in the grant must not exceed one thousand dollars.<sup>12</sup>

Income limitations. The income<sup>13</sup> available to a family is compared with the prescribed AFDC benefit

level<sup>14</sup> specified by DPW for a family of a given size (currently about \$379 a month for a family of three).

When a family is eligible, AFDC benefits are generally provided only to the extent of making up the difference between the family's net income and the AFDC benefit level, though special allowances are available when a recipient works.<sup>15</sup>

Recipients are required to report within ten days any changes in their circumstances which might affect their continued eligibility. Regular reviews of eligibility are conducted every six months.

Calculation of Benefits. The amount of assistance which an eligible family may receive depends primarily upon the size of the family and the employment status of family members over 14 years of age. If the family had no other income, the size of the AFDC grant would be obtained directly from Table AFDC-2.

When an AFDC recipient works, the grant is reduced by a fractional amount.<sup>16</sup> Briefly, this procedure assures that the family's total income will be slightly higher when a family member works than when AFDC is the family's only support. An extended discussion of the steps involved in calculating an AFDC grant for a working recipient appears in Appendix B. As noted later, through its participation in the Work Incentive (WIN) program, DPW provides assistance to thousands of recipients in preparing for and finding employment. AFDC grants are also reduced on a dollar-for-dollar basis to take account of "unearned" income from such sources as Unemployment Compensation, Workman's Compensation, pension or Social Security benefits, and so forth.

Benefit Levels. Massachusetts' AFDC benefit level during fiscal



year 1981 is about \$379 a month for a family of three with no other income.<sup>17</sup> The average AFDC family in Massachusetts receives less than this (about \$330),<sup>18</sup> since the average family size is 2.9 persons and about twenty percent of adult recipients have some earnings from employment.

It is difficult to compare these figures with figures from other states, since cost-of-living differences, inflation,<sup>19</sup> and variation among the states' program and funding details<sup>20</sup> complicate the discussion. Strictly comparable figures for interstate fiscal comparisons do not exist. Using the best national data available, the "average" welfare family in the entire U.S. receives roughly \$275 per month.<sup>21</sup>

Related Programs. As a condition of receiving AFDC benefits, most AFDC families must register for job placement or training through the WIN program. Recipients are also required to cooperate with the state's child-support collection efforts. AFDC families are usually eligible for food stamps, and are automatically eligible for medical assistance. In situations of disaster or other specified types of extraordinary circumstances, AFDC recipients may qualify for Emergency Assistance.

Work Incentive Program (WIN). Jointly administered by DPW and the state's Division of Employment Security (DES), the WIN program is designed to place AFDC recipients in jobs which will enable them to become economically self-supporting. Private employers, in turn, are encouraged to hire WIN recipients through a federal program of tax credits which may range from \$1,500 to \$10,000 or more and be carried from year to year.

Unless specifically exempted,<sup>22</sup> each AFDC recipient must register

for WIN's integrated program of assessment, job training, and support services such as counseling and child care. Refusal to participate in the program may lead to denial of AFDC benefits, either to the person who refuses or to the applicant's entire family.

Total costs of this program include DPW and DES staff time, as well as the federal tax expenditures. About 90% of the program costs, however, are borne by the federal government. Between October 1979 and September 1980, 11,679 Massachusetts AFDC recipients obtained employment under this program, resulting in reductions of more than \$2 million in AFDC grant expenditures.

Child Support Enforcement Unit (CSEU). Willful non-support of minor children is a crime in Massachusetts, and is the focus of interstate agreements among all the states as well as a body of national legislation dating back to the early 1950's. At both state and local levels, considerable progress has been made in developing efficient techniques for locating and obtaining financial support from parents who have deserted their families. A new Federal Parent Locator Service provides computer services to assist the states in locating absent parents.

DPW's Child Support Enforcement Unit works closely with the courts, and provides assistance to the spouses of absent parents through legal referrals or by initiating work of its own as warranted in specific cases. CSEU services, including legal referrals and parent-location efforts, can be provided to the families of absent parents in Massachusetts regardless of whether the family is receiving AFDC benefits.



Cooperation with child support collection efforts is required. A parent who has applied for aid because of the absence of the other parent must, as a condition<sup>23</sup> of receiving AFDC, assign the rights to child support payments to DPW (for as long as the family receives AFDC) and cooperate with the state's efforts to locate the absent parent and to obtain such support through court proceedings or other means.<sup>24</sup> The system ensures that the AFDC parent will receive regular income without being dependent upon sporadic support payments; yet it also enables DPW to collect funds from those absent parents who have a legal obligation to support their children.

The CSEU has been very successful in its efforts, collecting more dollars of child support per dollar spent on enforcement than any other state in the nation. Efforts are underway to increase collections still further. Collections in fiscal year 1980 were about \$30 million and should amount to \$40 million in fiscal year 1981.

Food Stamps. The Food Stamp program is a federal program designed to improve the diets of low-income families. The Food Stamp program is the only program available to all low-income people regardless of whether they have children, are disabled, etc. Those who qualify receive coupons which can be used only for the purchase of food.<sup>25</sup> The costs of food stamp benefits (\$170.8 million in Massachusetts during fiscal year 1980) are borne entirely by the federal government through the U.S. Department of Agriculture, although the state administers the program and pays half of some administrative costs (amounting to about \$8.7 million during fiscal 1980).

Under present federal regulations, low-income persons qualify

provided that they:

- Comply with work registration requirements;
- Have no more than \$1,500 in assets beyond certain exclusions and exemptions;<sup>26</sup> and
- Have no more than a specified net monthly income<sup>27</sup> for a given family size (such as \$316 for a single person or \$520 for a family of three, after allowable deductions).

Obviously, most AFDC recipients meet these requirements. The number of food stamps a particular family may receive varies, due to a federal formula which incorporates family size, earned and unearned income, shelter and utility costs, and child care costs. An AFDC family of three with no earned income would probably be eligible for food stamps in an amount ranging from \$74 to \$101 per month, depending upon the results of applying the federal formula to the individual case.

Medical Assistance. AFDC recipients are automatically eligible for Medicaid,<sup>28</sup> a program of health coverage which makes payments directly to the providers of health care. Inpatient hospitalization is covered, as are most outpatient and clinical services including physicians' and dentists' fees, laboratory and prescription costs, certain home nursing services, and a voluntary program of family planning assistance. About \$175 million was spent to provide these services to AFDC recipients during fiscal year 1979, including about \$84 million in state funds. Most Medicaid expenditures are reimbursed 51.75% by the federal government, so the annual expense of about \$1,500 per family represents a state cost of roughly \$250 per AFDC child or adult for a year's comprehensive health coverage.

Emergency Assistance (EA). Since 1975, when DPW introduced the



"consolidated" AFDC grant providing standardized benefits to eligible families, Emergency Assistance has been the only mechanism by which AFDC families could obtain special financial assistance in cases of fire, flood, or certain other extraordinary situations. EA is an optional federal-state program designed to aid families with children having immediate needs that cannot otherwise be met. Federal reimbursement of up to 50% is available to states whose EA programs conform to applicable federal regulations.

During fiscal year 1980, Massachusetts' EA program was temporarily modified to take account of a federal program designed to assist poor families with their energy costs. Considerable controversy attended these changes. As this is written, Massachusetts' EA program is quite similar to the earlier EA program, providing aid in cases of fire, flood, physical damage to homes, faulty essential appliances, and excessively high energy costs.

Other Assistance Programs. Persons receiving AFDC are not eligible for other cash assistance programs such as General Relief, Supplemental Security Income, or the special programs for Cubans and Indochinese Refugees.

Bureau of Special Investigations. If an assistance payments worker has any reason to suspect fraud in an AFDC case, the worker is required to refer the case to the Bureau of Special Investigations (within the Executive Office of Administration and Finance) for investigation and possible prosecution.

#### D. PROGRAM UTILIZATION AND COSTS

##### Present Caseload

During May 1980, AFDC was provided to 124,067 Massachusetts families,<sup>29</sup> consisting of 226,423 children and 122,081 adults. Most of these (119,101 families) were "Basic" cases,<sup>30</sup> typically consisting of one or two dependent children who received aid together with only one adult. In roughly one of every seven cases aid was provided only for children, typically living with an adult who was not eligible for aid.<sup>31</sup> About one of every twenty cases (4,966 families, 21,273 people) was an "Unemployed Parent" case with two adults included in the check. Table AFDC-4 presents comparable data on a state-by-state basis, and shows that in mid-1979 Massachusetts had the tenth largest total state population and the eighth largest AFDC population; about six percent of Massachusetts' total population received AFDC benefits at that time.<sup>32</sup>

##### Caseload Growth

Substantial growth in the numbers of families receiving AFDC was a national phenomenon during the past decade. Forty-nine of the fifty states experienced growth in the number of families receiving AFDC during this period.<sup>33</sup> Nationally, the total number of recipients increased by two million persons (25%), and the number of cases by 1.3 million families (63% increase) from June 1970 to June 1979.

Table AFDC-5 presents data on caseload changes in individual states. As Table AFDC-5 indicates, the AFDC population in almost every New England state has shown proportionally larger increases than in the nation as a whole. Since Massachusetts has nearly half of New England's



total population, its increases have involved relatively large numbers of people. The number of AFDC recipients in the other New England states increased by 92,571 people (47%), and the number of recipients in Massachusetts by 127,742 (56%) from June 1970 to June 1979. The number of AFDC cases increased by 45,883 (87%) during the same period in other New England states, and by 62,211 (98%) in Massachusetts.

#### Costs

During fiscal year 1980 Massachusetts' total AFDC expenditures were about \$527.6 million, including about \$483 million in direct grants to AFDC recipients. Slightly more than half of Massachusetts' AFDC expenditures were federally reimbursed. Thus, for the fiscal 1980 period, Massachusetts spent about \$255 million in state funds and about \$272 million in federal funds for AFDC. Total expense for AFDC represents roughly 8% of the Commonwealth's overall expenditures.

#### E. PROFILE OF THE TYPICAL AFDC CASE

Studies of Massachusetts' AFDC caseload are conducted by DPW and by the U.S. Department of Health and Human Services (HHS).<sup>34</sup> These studies provide the best answers to the question, "Who receives AFDC?"

About one quarter of a million children in more than 120,000 households receive AFDC benefits in Massachusetts, typically in small families consisting of mothers with one or two children.<sup>35</sup> The state's AFDC children tend to be young, with eight out of ten children less than fourteen years of age and more than one-third aged six years or less. In more than half of Massachusetts' cases the parents are

either divorced or separated. Lack of parental support for other reasons accounts for the remainder of the state's caseload as summarized in Figure AFDC-2.

Women are the heads of households in roughly 95% of the state's AFDC families, frequently working and providing a significant fraction of their families' support from their own earnings. About one of every five of the state's adult recipients is employed while receiving AFDC, typically working 30 to 35 hours a week for wages at or slightly above the national minimum wage.<sup>36</sup> While only about half of the adult recipients are high school graduates, about one in eight is enrolled in a school or job training program; and one in seven has pursued education beyond high school. Four out of five have had some employment experience, in a broad range of areas such as service, clerical, sales, semi-skilled and various technical jobs. Nearly half of the recipients, of course, have very young children at home, and others have disabilities or various other reasons for being out of the labor force.

National population trends are reflected to some extent in the AFDC caseload. Both nationally and in Massachusetts, there has been a trend toward smaller families within the AFDC caseload over the past decade. For example, during 1967 about one-fourth of all AFDC cases received aid for a single child; but in recent years this figure has increased to more than 40%.

Heads of Massachusetts' AFDC households are older and more likely to be white than are heads of AFDC households nationally. More than 60% of Massachusetts' adult recipients are over 30 years of age, compared with about 40% nationally. Between 70 and 80 percent of Massachusetts' AFDC households are white compared with 40 to 50



percent nationally. Black families comprise roughly 15% of Massachusetts' AFDC cases, about one-third of the corresponding national figure; and Hispanic families make up about 11% of Massachusetts' caseload, slightly less than the corresponding fraction of the national caseload.

Typically, recipients of AFDC in Massachusetts are long-time state residents for whom the receipt of aid is a temporary circumstance. Four out of five parents of Massachusetts' AFDC children have lived in the state 10 years or more. The average one-parent family or "Basic" AFDC case (95% of the caseload) receives AFDC for 3 to 4 years, while two-parent families ("Unemployed Parents" cases) are typically on the rolls for somewhat briefer periods averaging one to two years.<sup>37</sup>

#### F. MANAGEMENT IMPROVEMENTS

In administering the AFDC program, DPW's overall management goal is the correct implementation of applicable federal and state laws and regulations, leading to proper payment of benefits to eligible recipients in a timely, accurate, and uniform manner. Meeting this overall goal is no small task, given the complexity of applicable legal requirements, the terms of certain court orders, the size of the state's population, and a few differences in local office practices which remain from the earlier days of local funding and control of welfare programs.

DPW has kept its management costs at relatively low levels,<sup>38</sup> but during recent years has learned of unacceptable numbers of errors in determining eligibility and calculating AFDC grants. With the strong support of the legislature, DPW has recently embarked upon a

major program to reduce the AFDC error rate and to control Medicaid expenditures.

In particular, an effort is presently underway to review each one of Massachusetts' more than 120,000 AFDC cases to assure proper compliance with AFDC policy. This effort will be followed by systematic procedural reforms within each local office to maintain the level of improved accuracy expected to result from the 100% review.<sup>39</sup>

Other recent management initiatives include the following:

Management Indicators. DPW monitors the performance of its offices through a series of management indicators. The federally-mandated Quality Control program, augmented by the state's Quality Assurance program,<sup>40</sup> provides detailed sample data on the accuracy of payments. DPW also monitors the length of time required to process individual cases, and reviews the effectiveness with which local offices are themselves accomplishing reviews of cases.

File Matching. As a precaution against certain types of error, DPW has developed extensive computer-based techniques for comparing the welfare caseload with independent sources of evidence about recipients' finances, including tax and Social Security information. DPW expects to make greater use of these techniques in the future, by comparing the welfare files with additional sources of information.

Staff Training. Training programs are now conducted for new staff, and special programs have been arranged for managers and supervisory personnel, to provide staff with a better understanding of Department policies, procedures, and techniques.



AFDC Policy Manual and Worker Handbook. The state's AFDC Policy Manual has been completely rewritten to improve the focus and clarity of this complex document. The new manual provides cross-indexed, comprehensive information on current AFDC policy, and will provide each DPW office with a definitive, up-to-date reference source.

A detailed companion volume now supplements the Policy Manual, outlining the AFDC program's standard procedures and presenting copies of every routine form in a series of accessible chapters. The two are closely coordinated through a convenient cross-reference arrangement. The new AFDC Worker Handbook will be most useful as a reference document for the assistance payments workers who calculate families' AFDC grants, and will also be valuable as a training document.

Workload Planning. DPW caseworkers are asked to give highest priority to conducting reviews ("redeterminations") of those cases most likely to require changes. DPW provides each worker with a list of that worker's cases which have outside sources of income or other features implying the need for frequent review.

Performance Appraisal. DPW is in the process of instituting an agency-wide employee evaluation system, which should improve accountability by translating the agency's goals and objectives into specific standards of employee performance and productivity at each staff level. The new system will assist administrators in setting performance standards for each employee, reviewing each employee's achievements over time with respect to these standards, and providing a basis for recognizing good work, improving work, or instituting discipline where need exists.

Planning Future Improvements. DPW is presently studying the feasibility of an automated "Recipient Eligibility Control System" which would make use of computer technology to ensure a consistent application of the regulations to individual cases. Such a system, if adopted, might combine the functions of determining eligibility, reviewing cases at periodic intervals, issuing checks, compiling a variety of management reports and summary statistics, and achieving accurate and consistent agency-wide response to changes in policy, regulations, and future information needs.



TABLE AFDC-3

AFDC NEED STANDARDS, MAXIMUM BENEFITS, AVERAGE FAMILY  
SIZES, AND AVERAGE PAYMENTS DURING SEPTEMBER, 1979, BY STATE  
(PRELIMINARY DATA FOR CERTAIN ITEMS: SEE NOTES FOR CLARIFICATION)

STATE	NEED <sup>52</sup> STANDARD FOR FOUR PERSONS	MAXIMUM <sup>53</sup> BENEFIT PAID TO FOUR PERSONS	AVERAGE PAYMENT <sup>54</sup> PER RECIPIENT	AVERAGE <sup>55</sup> FAMILY SIZE	AVERAGE <sup>56</sup> PAYMENT PER AFDC CASE
Massachusetts	419	419	\$109.25	2.9	\$311.55
<u>Other New England States</u>					
Connecticut	446	446	\$118.48	2.9	\$347.51
Maine	349	332	78.04	2.9	223.80
New Hampshire	382	382	95.68	2.8	263.63
Rhode Island	389	389	91.85	2.9	265.08
Vermont	656	524	111.07	3.0	328.97
<u>Other States</u>					
Alabama	240	148	\$38.47	2.9	\$111.26
Alaska	450	450	134.17	2.5	329.88
Arizona	282	240	59.94	2.8	169.82
Arkansas	273	188	51.46	2.9	149.84
California	511	487	130.69	2.9	381.42
Colorado	327	327	83.06	2.8	229.92
Delaware	287	287	76.10	2.8	213.53
District of Columbia	349	253	92.06	2.8	259.11
Florida	230	230	63.30	2.8	175.35
Georgia	227	170	47.22	2.6	124.41
Hawaii	546	546	126.87	3.1	396.52
Idaho	421	366	97.67	2.7	267.32
Illinois	315	315	84.63	3.2	268.86
Indiana	363	275	66.03	2.9	189.50
Iowa	419	419	112.19	2.8	309.08
Kansas	350	350	98.96	2.7	262.31
Kentucky	235	235	62.07	2.7	166.97
Louisiana	446	187	44.91	3.1	141.35
Maryland	314	294	78.01	2.8	216.72
Michigan	480	480	116.41	3.0	353.30
Minnesota	454	454	119.32	2.7	322.73
Mississippi	252	120	28.31	3.1	87.65
Missouri	365	270	69.71	3.0	206.55
Montana	331	331	78.30	2.8	215.73
Nebraska	370	370	90.41	2.9	258.45
Nevada	341	297	72.63	2.8	201.92
New Jersey	386	386	96.81	3.1	301.50
New Mexico	242	242	75.76	3.0	224.45
New York	476	476	120.10	3.0	365.44
North Carolina	210	210	63.46	2.6	163.99
North Dakota	389	389	93.78	2.7	256.79
Ohio	431	327	87.83	2.8	250.24
Oklahoma	349	349	84.55	3.0	253.04
Oregon	537	456	118.36	2.6	313.45
Pennsylvania	373	373	94.66	2.9	278.60
South Carolina	229	142	36.59	2.8	101.21
South Dakota	361	361	77.40	2.8	214.44
Tennessee	217	148	42.38	2.7	113.90
Texas	187	140	36.42	3.0	110.77
Utah	519	389	96.63	3.1	296.46
Virginia	292	263	74.58	2.8	205.93
Washington	483	483	126.29	2.8	351.48
West Virginia	332	249	59.99	2.8	170.86
Wisconsin	579	492	122.76	2.7	336.90
Wyoming	340	340	99.12	2.5	249.54
U.S. AVERAGES <sup>57</sup>	367.67	329.33	\$93.23	2.9	\$271.83

TABLE AFDC-4

NUMBERS OF AFDC RECIPIENTS, AFDC CASES, <sup>58</sup>  
AND TOTAL POPULATION, BY STATE, 1979

STATE	AFDC-RECIPIENTS June, 1979		AFDC-CASES June, 1979		POPULATION (1000's) July 1, 1979	
	Number	Rank	Number	Rank	Number	Rank
<u>Massachusetts</u>	354,742	8	123,811	8	5,769	10
<u>Other New England States</u>						
Connecticut	137,204	24	46,466	26	3,115	24
Maine	60,627	35	20,992	35	1,097	38
New Hampshire	21,112	43	7,639	43	887	42
Rhode Island	48,749	38	16,802	39	929	39
Vermont	20,679	44	6,884	46	493	49
<u>Other States</u>						
Alabama	176,395	17	60,635	17	3,769	22
Alaska	14,354	48	5,886	48	406	51
Arizona	48,273	39	17,072	38	2,450	30
Arkansas	86,925	30	29,626	30	2,180	33
California	1,318,212	1	454,268	1	22,694	1
Colorado	73,587	32	26,652	32	2,772	28
Delaware	31,086	42	11,067	41	582	48
District of Columbia	88,547	29	31,420	29	656	47
Florida	229,272	10	82,569	10	8,860	8
Georgia	207,905	11	78,941	11	5,117	14
Hawaii	58,812	36	18,787	36	915	40
Idaho	20,072	46	7,321	44	905	41
Illinois	673,822	3	211,029	4	11,229	5
Indiana	146,374	22	50,736	23	5,400	12
Iowa	94,059	28	33,798	28	2,902	26
Kansas	61,961	34	23,169	34	2,369	32
Kentucky	163,972	19	60,617	18	3,527	23
Louisiana	204,039	13	64,594	15	4,018	20
Maryland	204,256	12	73,383	13	4,148	18
Michigan	629,107	4	206,619	5	9,207	7
Minnesota	127,945	26	47,057	25	4,060	19
Mississippi	171,578	18	55,947	21	2,429	31
Missouri	190,010	16	63,829	16	4,867	15
Montana	17,465	47	6,290	47	786	43
Nebraska	35,180	40	12,361	40	1,574	35
Nevada	10,155	50	3,700	50	702	44
New Jersey	455,217	7	145,187	7	7,332	9
New Mexico	51,354	37	17,212	37	1,241	37
New York	1,102,009	2	360,721	2	17,648	2
North Carolina	193,352	15	74,572	12	5,606	11
North Dakota	13,205	49	4,784	49	657	46
Ohio	473,355	6	164,434	6	10,731	6
Oklahoma	86,143	31	28,774	31	2,892	27
Oregon	116,801	27	43,047	27	2,527	29
Pennsylvania	626,558	5	212,053	3	11,731	4
South Carolina	144,371	23	52,004	22	2,932	25
South Dakota	20,179	45	7,284	45	689	45
Tennessee	155,467	21	57,651	20	4,380	17
Texas	289,241	9	93,812	9	13,380	3
Utah	32,284	41	10,534	42	1,367	36
Virginia	160,912	20	58,103	19	5,197	13
Washington	136,321	25	48,976	24	3,926	21
West Virginia	72,752	33	25,620	33	1,878	34
Wisconsin	194,629	14	71,722	14	4,720	16
Wyoming	6,205	51	2,453	51	450	50
U.S. TOTAL	10,056,331	—	3,438,310	—	220,099	—

Source: HHS' Public Assistance Statistics and provisional U.S. Census estimates.



TABLE AFDC-5

CHANGES IN NUMBER OF AFDC RECIPIENTS AND CASES, BY STATE<sup>59</sup>

STATE	JUNE, 1970 NUMBER OF AFDC:		JUNE, 1979 NUMBER OF AFDC:		CHANGE IN RECIPIENTS:		CHANGE IN CASES:	
	RECIPIENTS	CASES	RECIPIENTS	CASES	JUNE '70-JUNE '79		JUNE '70-JUNE '79	
Massachusetts	227,000	62,600	354,742	123,811	127,742	+ 56%	61,211	+ 98%
<u>Other New England States</u>								
Connecticut	89,600	24,100	137,204	46,466	47,604	+ 53%	22,366	+ 93%
Maine	43,200	11,900	60,627	20,992	17,427	+ 40%	9,092	+ 76%
New Hampshire	10,400	2,700	21,112	7,639	10,712	+103%	4,939	+183%
Rhode Island	40,100	10,700	48,749	16,802	8,649	+ 22%	6,102	+ 57%
Vermont	12,500	3,500	20,679	6,884	8,179	+ 65%	3,384	+ 97%
<u>Other States</u>								
Alabama	137,000	33,600	176,395	60,635	39,395	+ 29%	27,035	+ 80%
Alaska	8,500	2,700	14,354	5,886	5,854	+ 69%	3,186	+118%
Arizona	57,800	14,400	48,273	17,072	-9,527	- 16%	2,672	+ 19%
Arkansas	51,200	13,300	86,925	29,626	35,725	+ 70%	16,326	+123%
California	1,322,000	364,000	1,318,212	454,268	-3,788	-0.3%	90,268	+ 25%
Colorado	75,600	21,200	73,587	26,652	-2,013	- 3%	5,452	+ 26%
Delaware	21,600	5,700	31,086	11,067	9,486	+ 44%	5,367	+ 94%
District of Columbia	46,800	12,100	88,547	31,420	41,747	+ 89%	19,320	+160%
Florida	224,000	58,200	229,272	82,569	5,272	+ 2%	24,369	+ 42%
Georgia	224,000	60,600	207,905	78,941	-16,095	- 7%	18,341	+ 30%
Hawaii	26,800	6,900	58,812	18,787	32,012	+119%	11,887	+172%
Idaho	17,500	4,900	20,072	7,321	2,472	+ 14%	2,421	+ 49%
Illinois	406,000	96,200	673,822	211,029	267,822	+ 66%	114,829	+119%
Indiana	87,600	22,200	146,374	50,736	58,774	+ 67%	28,536	+129%
Iowa	68,700	18,800	94,059	33,798	25,359	+ 37%	14,998	+ 80%
Kansas	58,300	16,000	61,961	23,169	3,661	+ 6%	7,169	+ 45%
Kentucky	133,000	35,800	163,972	60,517	30,972	+ 23%	24,817	+ 69%
Louisiana	225,000	54,000	204,039	64,594	-20,961	- 9%	10,594	+ 20%
Maryland	142,000	37,600	204,256	73,383	62,256	+ 44%	35,783	+ 95%
Michigan	296,000	77,100	629,107	206,619	333,107	+113%	129,519	+168%
Minnesota	86,400	26,300	127,945	47,057	41,545	+ 48%	20,757	+ 79%
Mississippi	122,000	31,400	171,578	55,947	49,578	+ 41%	24,547	+ 78%
Missouri	155,000	40,900	190,010	63,829	35,010	+ 23%	22,929	+ 56%
Montana	15,400	4,400	17,465	6,290	2,065	+ 13%	1,890	+ 43%
Nebraska	33,700	9,000	35,180	12,361	1,480	+ 4%	3,361	+ 37%
Nevada	13,500	3,900	10,155	3,700	-3,345	- 25%	-200	- 5%
New Jersey	355,000	85,900	455,217	145,187	100,217	+ 28%	59,287	+ 69%
New Mexico	55,800	14,900	51,354	17,212	-4,446	- 8%	2,312	+ 16%
New York	1,103,000	291,000	1,102,009	360,721	-991	-0.1%	69,721	+ 24%
North Carolina	134,000	35,000	193,352	74,572	59,352	+ 44%	39,572	+113%
North Dakota	11,300	3,100	13,205	4,784	1,095	+ 10%	1,684	+ 54%
Ohio	292,000	76,300	473,355	164,434	181,355	+ 62%	88,134	+116%
Oklahoma	101,000	27,500	86,143	28,774	-14,857	- 15%	1,274	+ 5%
Oregon	86,700	22,300	116,801	43,047	30,101	+ 35%	20,247	+ 89%
Pennsylvania	488,000	123,000	626,558	212,053	138,558	+ 28%	89,053	+ 72%
South Carolina	61,500	15,400	144,371	52,004	82,871	+135%	36,604	+238%
South Dakota	17,200	4,300	20,179	7,284	2,979	+ 17%	2,484	+ 52%
Tennessee	150,000	40,200	155,467	57,651	5,467	+ 4%	17,451	+ 43%
Texas	264,000	62,200	289,241	93,312	25,241	+ 10%	31,612	+ 51%
Utah	36,300	10,300	32,284	10,534	-4,016	- 11%	234	- 2%
Virginia	99,600	25,300	160,912	58,103	61,312	+ 62%	32,303	+125%
Washington	127,000	36,300	136,321	48,976	9,321	+ 7%	12,676	+ 35%
West Virginia	98,700	23,900	72,752	25,620	-25,948	- 26%	1,720	+ 7%
Wisconsin	82,200	23,200	194,629	71,722	112,429	+137%	48,522	+209%
Wyoming	5,700	1,600	6,205	2,453	505	+ 9%	353	+ 53%
U.S. TOTALS	3,047,300	2,109,900	10,056,331	3,438,910	2,008,721	+ 25%	1,329,010	+ 63%

## CHAPTER TWO

### GENERAL RELIEF (GR)

#### A. PROGRAM OBJECTIVES

General Relief (GR) is a wholly state-funded program which provides a subsistence income to two clearly-defined groups of impoverished persons who do not qualify for federally-reimbursed programs:

- Childless individuals who are not employable, but who cannot qualify for SSI because they are neither aged, blind, nor disabled; and
- A few needy families with children who fail to qualify for AFDC, typically because a parent works more hours than permitted by AFDC regulations but still earns very little money.

Unemployed adults without children who are deemed to be employable are not eligible for GR benefits.<sup>60</sup>

#### B. PROGRAM HISTORY

Prior to 1968, GR was predominantly funded and administered by cities and towns. In 1968 GR became a state-funded and administered program of aid for impoverished persons who did not qualify for other programs. Subsequent developments have narrowed its scope.

The greatest single change was brought about by Chapter 618 of the Acts of 1975, which prohibited employable persons from receiving benefits. Eligibility was restricted to individuals not qualifying for SSI and deemed "non-employable" (or who had children but could not qualify for AFDC). This change came near the end of an economic recession; within about two years the GR caseload had been reduced to approximately half of the mid-1975 total.



A number of changes have also been made in the GR medical program. Virtually all medical benefits were eliminated for fiscal year 1976, with the exception of lifesaving drugs. Limited outpatient benefits were restored for fiscal year 1977 and remain a part of the program. Later legislative action restored coverage for hospital stays, but only for a six-month period which ended June 30, 1980. In the absence of legislative modifications, the GR medical program will consist only of limited outpatient benefits in the foreseeable future.

#### C. PRESENT PROGRAM

Applications for GR benefits are taken at DPW's local welfare offices.

##### Eligibility

Eligibility for GR is established by Chapter 117 of the Massachusetts General Laws. These laws are interpreted through DPW's rules, regulations, and policies as delineated in the Massachusetts Assistance Payments Manual.

As a routine part of the GR application process, DPW attempts to explore every possibility for an applicant to obtain income from Social Security (OASDI), trust funds, voluntary contributions from children, and any other sources which may be available in a particular case.

Eligibility is assessed through a two-step procedure: a DPW social worker first determines whether the applicant falls into one of the categories of people who are eligible, and then reviews the

applicant's financial eligibility.

Categorical Eligibility. A person can become eligible for GR only when the person cannot qualify for such other potential sources of support as AFDC, SSI, Unemployment Compensation, or Veterans Benefits. Given that the foregoing criteria are met (along with financial criteria as discussed below), only certain categories of people are eligible for GR. Specifically, only those persons are eligible who:

- have a medically verified physical or mental incapacity which precludes employment and which has lasted for more than 30 days; or
- are 45 years of age or older and have significant barriers to employment<sup>61</sup>; or
- have reached age 65, or are blind or disabled, and are awaiting determination of eligibility for Supplemental Security Income (SSI); or
- are students under 19 years of age who have not yet completed high school; or
- reside in halfway houses for persons discharged from mental hospitals or schools for the retarded, or in certain treatment centers or halfway houses for alcohol and drug abuse rehabilitation; or
- care for certain categories of invalids in their homes; or
- are unemployed ex-offenders who meet certain criteria; or
- have children under 18 years of age, comply with work-registration requirements, and are in need but fail to qualify for AFDC.

Persons who do not meet any of the foregoing categories of requirements are considered employable and are not eligible for GR.

Financial Eligibility. Applicants' income and assets must not exceed specified limits:



Assets Limitations. Individuals are not eligible for GR if their assets exceed \$250, or \$500 for a family of two or more persons. Excluded from these limits are a family's home, life insurance, and an automobile if use of a car is judged essential to the family's well being. Assets are verified by a DPW social worker.

Income Limitations. DPW has established standard budgets for GR individuals and families. For an applicant to be eligible, his or her total family income must not exceed the income which would be provided by the appropriate standard.<sup>62</sup> Income which is considered includes pensions, contributions from private charities, and "in-kind" income such as free utilities, fuel and rent; on the other hand, small amounts of income from certain federal programs and a few other sources (as in the AFDC program) are not taken into account.

Only after both categorical and financial eligibility have been established would a social worker proceed to calculate a grant using the appropriate budget schedule.<sup>63</sup> If an applicant is found eligible, the grant is reduced to take account of any income which may be available from other sources.<sup>64</sup>

#### Benefit Levels

A qualifying, non-employable GR recipient living alone with no other income could receive about \$181 each month, though the average grant is less than this amount.

The size of a GR grant depends on two major factors: the number of persons participating in the grant, and the household living situation (i.e. whether living expenses are shared with other persons in the same household). Taking these factors into account, a grant is calculated from a series of itemized amounts as listed in Table GR-1. While Table GR-1 represents the maximum amounts ordinarily paid, small increments (not to exceed \$25) are possible due to high rent costs or medically-prescribed special diets. Grants

are reduced when a recipient lives with one or more other people: a recipient who is not responsible for shelter or utilities would ordinarily receive about \$66 per month for all other needs.

Calculating GR benefits for families follows similar procedures, yielding the amounts shown in Table GR-2 which also vary by living situation. The amounts shown in the upper portion of Table GR-2 are adjusted to take account of family members' ages. As an illustration, a family of four with no other income, living independently (Category I in the table), could receive a monthly income of about \$370 from this program if one child was between 7 and 12 years of age. In contrast, the same family would receive \$444.50 if it qualified for AFDC.

In fiscal year 1982, DPW expects to simplify the process of calculating a GR grant through use of a "consolidated" grant table similar to that now used in the AFDC program.

#### Related Programs

GR recipients are eligible for some of the joint state-federal programs which are available to other low-income people. Persons meeting the strict asset and income limitations for GR eligibility are generally eligible for food stamps according to the federal criteria outlined above in the AFDC section. Emergency assistance is only available to the GR family with one or more needy children, and is subject to a number of additional restrictions, as discussed in the AFDC section.

Medical assistance for GR recipients, distinct from the Medicaid program, is completely financed by the state. GR medical assistance has generally been limited in recent years to non-institutional services such as office visits to physicians and dentists; drugs and laboratory tests; material such as bandages and eyeglasses; and



home health visits where necessary. GR recipients are presently not eligible for any inpatient hospitalization or psychiatric services.

Fraud investigations are handled by the Bureau of Special Investigations. Any DPW worker who suspects fraud in a GR case is required to refer the case to that agency for investigation and possible prosecution.

#### D. PROGRAM UTILIZATION COSTS

##### Caseload Decline

As mentioned above, this program was curtailed in scope five years ago. The GR caseload had risen from less than 20,000 during fiscal 1970 to about 40,000 during fiscal 1975, but was then cut sharply when the state ceased providing assistance to "employable" GR recipients. The GR caseload has been relatively stable for the past five years, ranging from about 20,000 to 23,000 cases.

##### Present Caseload

In June 1980, Massachusetts' GR caseload was 20,869, including 22,655 individuals who represented about four-tenths of one percent of the state's population.<sup>65</sup> Obviously, the preponderance of GR cases consists of single individuals.

Figure GR-1 summarizes the reasons for eligibility among the June 1980, GR caseload. Virtually all GR recipients have been deemed "non-employable." Mental incapacities and other personal limitations precluded employment among roughly two-thirds of the persons receiving benefits,<sup>66</sup> while about one-fourth were eligible because of barriers to employment such as illiteracy or the lack of a work history acceptable to employers.

### Costs

During fiscal year 1980, Massachusetts' total GR expenditures were \$42.8 million in cash assistance payments and \$4.6 million in medical benefits.

### E. PROFILE OF THE GR RECIPIENT POPULATION

Since considerable variety characterizes the GR population, it is difficult to speak of a "typical" GR recipient, beyond the broad categories summarized in Figure GR-1.

More than 90% of Massachusetts' GR recipients are single individuals. There are few families receiving GR: if a parent is unemployed, the family is generally eligible for the AFDC unemployed parent program; and if a family member is working the family would be unlikely to satisfy the GR financial eligibility criteria.<sup>67</sup> About 30% of the state's GR recipients live in Boston, 19% in the Springfield area, and the rest throughout the remaining parts of the state.

### F. MANAGEMENT IMPROVEMENTS

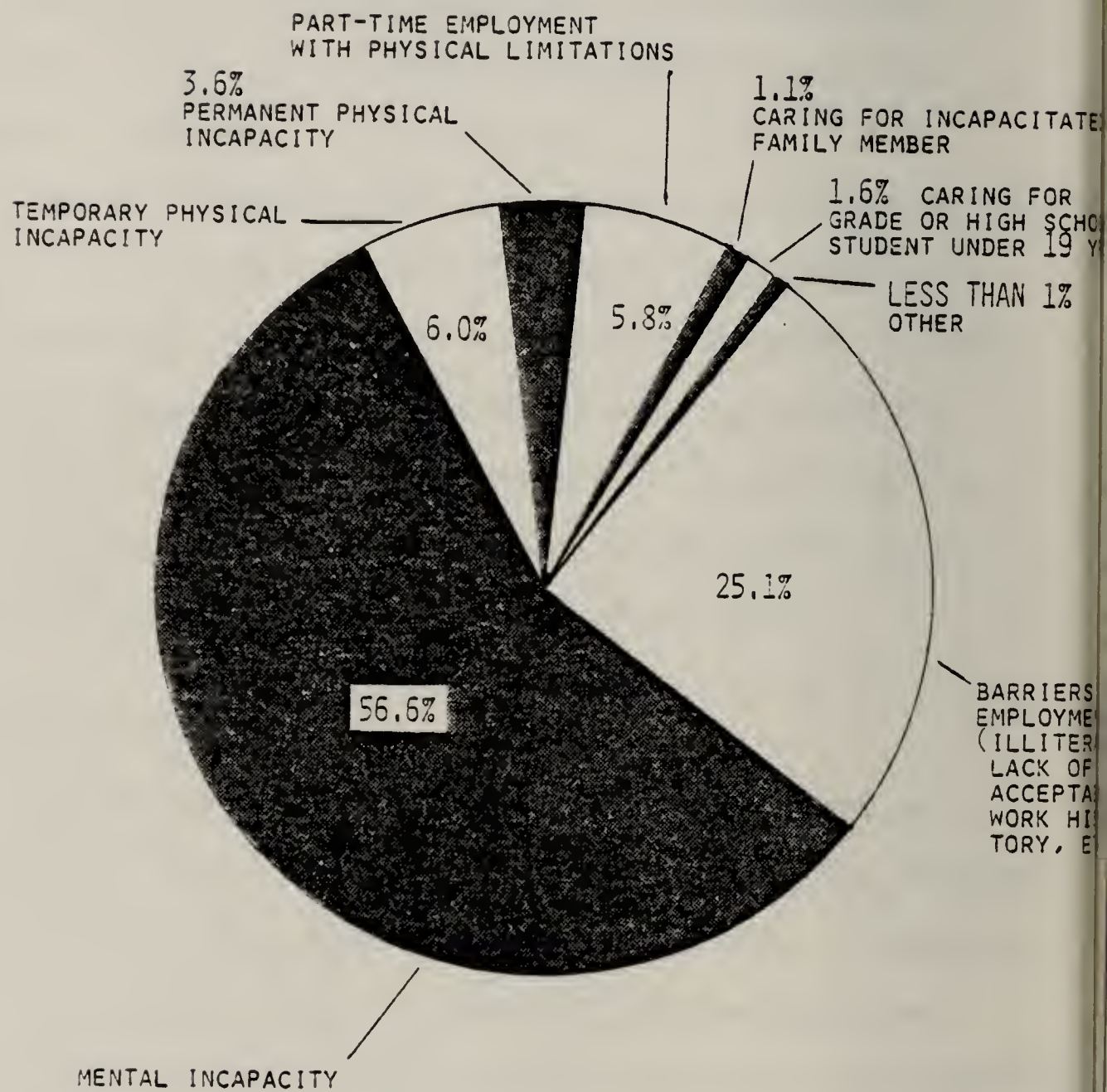
Several measures have been adopted to improve management and to minimize error in the GR program. DPW uses computer "file matching" to compare its list of cases with tax and Social Security information. GR cases in which the recipient is temporarily incapacitated are given an especially high priority for periodic review and redetermination of the grant. DPW is presently employing new management indicators for the GR program to provide a more systematic basis for reducing error. General improvements in administration, office procedure, staff



training, workload planning, and performance appraisal are expected to lead to improvements in the GR program even though many of these improvements are oriented to AFDC.

FIGURE GR-1

MAJOR CATEGORIES OF GR RECIPIENTS  
JUNE, 1980



Source: DPW Budget Office



TABLE GR-1

SCHEDULE OF GR MONTHLY BUDGET ITEMS  
NOVEMBER, 1980

Part I. Food, Clothing and Personal Items

	For an adult:		For each of a family's children:		
	Living alone	Living with one or more other persons*	Ages 0 thru 6	Ages 7 thru 12	Ages 13 thru 17
Food	\$57.20	\$47.70	\$27.40	\$39.00	\$48.70
Clothing	10.60	10.60	9.50	15.60	16.30
Personal Care	5.20	4.70	1.90	2.40	3.30
Household Supplies & Replacements	2.80	2.80	2.80	2.80	2.80

Part II. Shelter and Utilities

	For an individual:		For a family:	
	Heated	Unheated	Heated	Unheated
Rent	\$88.90	\$63.50	\$131.30	\$105.80
Fuel and Utilities	17.10	42.40	17.10	42.40

\* Spouses or additional adults in the same grant receive slightly less, as indicated in Table GR-2.

Source: DPW, State Letter 515, August 1, 1980.

TABLE GR-2

GR STANDARDS OF ASSISTANCE FOR FAMILIES  
OF DIFFERENT SIZES AND CIRCUMSTANCES\*

Living arrangement (see key** below)	Number of persons participating in the GR grant:									
	1	2	3	4	5	6	7	8	9	10***
I		254.20	294.80	335.50	376.10	416.80	457.40	498.00	538.60	579.30
II		180.60	221.10	261.60	302.40	342.80	383.70	424.10	464.70	505.60
III		201.50	242.00	282.70	323.40	364.00	404.70	445.60	486.10	526.60
IV	41.00	81.40	122.20	162.90	203.30	244.10	284.70	325.40	366.10	406.70

A number of additional considerations are taken into account by DPW assistance payments workers in arriving at GR grants from the above table. The most important ones follow.

\*GR regulations provide for the following age-specific standard amounts to be added to the figures in the table, as appropriate in a given case:

- Children, ages 7 through 12: \$14.80 for each child.
- Children, ages 13 through 17: 23.50 for each child.
- Second or additional adults: 19.50 for each additional eligible adult.

\*\*Key to "living arrangement" designations:

- I. Full common household expenses must be paid by grantee.
- II. Grantee shares common household expenses with another GR family, with an AFDC family, or shares expenses with one or more persons who do not receive public assistance.
- III. Grantee shares common household expenses with a GR individual, or with a GR family having no children.
- IV. Grantee has no common household expenses, as these are assumed by someone else.

\*\*\*Forty dollars would be added to the table amounts for additional persons beyond ten in a family.

Source: DPW, State Letter 515, August 1, 1980.



## CHAPTER THREE

### SUPPLEMENTAL SECURITY INCOME (SSI)

#### A. PROGRAM OBJECTIVES

Supplemental Security Income (SSI) was created to provide a guaranteed minimum income to aged, blind, and disabled individuals based on nationally consistent definitions of categories and financial eligibility.

#### B. PROGRAM HISTORY

SSI was added to the Social Security Act in 1972, and was implemented on a nationwide basis in January 1974. Typically, as in Massachusetts, SSI replaced formerly separate programs of old age assistance, aid to the blind, and aid to the partially and totally disabled. The earlier programs generally received some support through federal grants. When the new program was implemented, Washington required the states to maintain the income levels of persons who had formerly received assistance.<sup>68</sup>

#### C. PRESENT PROGRAM

SSI is federally financed, usually supplemented by optional state funds, and either wholly or partially administered by the Social Security Administration (SSA). Massachusetts elects that SSA administer the entire program, and provides supplementary funding through the budgets of DPW and the Commission for the Blind.

SSI provides states with a number of advantages over earlier programs, especially the guarantee that eligible state residents will receive at least the minimum federal payment of monthly income. Many states choose to have SSA administer their optional

supplementary payments since under this arrangement SSA assumes the administrative costs, determines eligibility, arrives at proper benefits, and issues each recipient a single monthly check including both federal and state contributions. When SSA administers the program, it also guarantees that states will be able to hold their total SSI budget expenses to a specified ceiling level.

#### Application Process

Since the SSI program is completely administered by SSA, anyone who needs to apply for SSI or to obtain information about the SSI program should go to the nearest Social Security office. To apply for SSI, one must take proof of age and detailed information about one's financial situation.<sup>69</sup> Typically, at least six to eight weeks are required for an application to be approved.

While waiting for an SSI application to be processed, some people in Massachusetts receive General Relief (GR) benefits. As discussed in the previous section of this publication, GR is a state-funded program for people with very low incomes who usually have less than \$250 in assets. To apply for this program while waiting for the SSI application, a person must go to the nearest state welfare office with complete financial information. No one, of course, can receive benefits from both programs at the same time. The state has an arrangement with the Social Security Administration which assures that GR benefits stop when SSI benefits begin.

#### Eligibility

As its name implies, SSI provides an income supplement, the cash amount in a given case depending upon a review of an applicant's



circumstances and other income sources, if any. The following federal criteria govern eligibility for SSI:

Categorical Eligibility. An applicant must have reached age 65, or satisfy federal definitions of blindness<sup>70</sup> or disability,<sup>71</sup> in order to be considered for SSI.

Financial Eligibility. Applicants who are categorically eligible for SSI must also meet financial eligibility criteria which set limits on both assets and income:

Asset Limitations. Assets must not exceed \$1,500 for an individual or \$2,200 for a couple, excluding a home, household goods, an automobile, and small insurance policies.

Income Limitations. An applicant's total countable income must not exceed the level of an SSI grant for which the applicant would otherwise be eligible,<sup>72</sup> except for an initial exemption of \$20 in monthly income per household<sup>73</sup> and a special allowance for earned income.<sup>74</sup>

#### Benefit Levels

During fiscal year 1980 an aged SSI recipient living alone in Massachusetts received up to \$337.43 per month, including the federal contribution of \$208.20. Beginning July 1, 1980, benefits reflected a cost-of-living increase of about 11%. Table SSI-1 presents the current maximum SSI benefit levels for Massachusetts recipients, following this increase. Although program differences make it difficult to compare supplemental benefits between states, Table SSI-2 presents some comparative data on benefits to aged individuals.

Most SSI recipients receive less than the maximum benefit amounts, since most have at least some amount of income from

another source. SSI grants are reduced when recipients live with others, share expenses, or enter residential facilities receiving Medicaid funds.<sup>75</sup> In some cases they are increased by additional state contributions to cover rest home costs which exceed the normal SSI benefits.<sup>76</sup>

#### Related Programs

Medicaid. SSI recipients in Massachusetts are automatically eligible for Medicaid, and account for more than two-thirds of the state's Medicaid expenditures. If a recipient enters a hospital or nursing home for an extended period, the SSI grant is reduced since basic needs are met by the institution and funded through Medicaid; most Medicaid expenditures are, in turn, reimbursed about 51.75% by the federal government.

Food Stamps. In the past, Massachusetts has opted for the federal government to include an additional ten dollars in SSI checks as a cash equivalent of food stamp benefits, making the state's SSI recipients ineligible for food stamps.

As a result of recent changes made by the state legislature, SSI recipients will be able to apply for food stamp benefits beginning in October 1981 without losing any SSI benefits.

Emergency Needs. In special situations, the state will provide limited funds for SSI recipients faced with evictions or the consequences of natural disasters; the state will also pay limited amounts for burial expenses.

Social Services. The state's Department of Social Services administers a variety of service programs which are available to



SSI recipients with certain types of need. Recipients who face special problems may call that agency for information and referral to available sources of help with homemaking difficulties, transportation, or other special problems. Special services are also provided to elderly and blind persons through the state's Department of Elder Affairs and the Massachusetts Commission for the Blind, respectively.

Direct Bank Deposits. Upon request, SSA will mail benefit checks directly to a recipient's bank for deposit in his or her account, assuring convenience and security.

#### D. PROGRAM UTILIZATION AND COSTS

In June 1980, 127,682 people received SSI in Massachusetts, representing just over two percent of the state's population. This figure included 69,862 persons who were eligible on the basis of age, 52,622 who were eligible because of disabilities, and 5,198 who were eligible because of blindness.<sup>77</sup> Table SSI-3 presents similar figures for all states.

From the inception of SSI in fiscal year 1974 until the present Massachusetts' SSI caseload has been relatively stable, with declines in the numbers of aged SSI recipients largely compensating for increases in the numbers of blind and disabled recipients. A similar pattern has occurred nationally. The total number of SSI recipients declined by 3% in Massachusetts from December 1975 to December 1979; and by 4% in the U.S. as a whole.

During fiscal year 1980, Massachusetts' total expenditures

for SSI were approximately \$243.7 million, including \$115.7 million in federal funds and state funds of \$121.9 and \$6.1 million provided through the budgets of DPW and the Massachusetts Commission for the Blind, respectively. During the year-earlier period about 46% of the state's total SSI budget provided benefits to the elderly, 49% to persons who were disabled, and 5% to those who were blind; roughly similar proportions may be expected to apply for the 1980 fiscal year.

The average SSI grant has decreased slightly during recent years (despite cost-of-living increases) due to slight increases in recipients' income from other sources, particularly regular Social Security benefits and various pension plans. Federal savings due to this development have been greater than the reductions in state expenditures, since outside income is first applied against the federal portion of a recipient's grant.

On the other hand, Massachusetts provides some additional funds to cover some recipients' rest home costs when these costs exceed the level of an SSI grant. During fiscal year 1980 such additional funding (over and above the regular state supplement) averaged about \$2,000 for each of roughly 4,400 cases.

#### E. COMPOSITION OF THE SSI CASELOAD

Nationally, most recipients of SSI are either aged (46.6%) or disabled (51.5%).<sup>78</sup> Massachusetts has higher proportions of aged (56%) and blind (4%) recipients than the rest of the U.S., with disabled persons making up a smaller proportion (40%) of the state's SSI caseload as shown in Figure SSI-1.<sup>79</sup> Within



Massachusetts' blind and disabled caseload segments, about one of every 13 recipients is a child. Generally, however, the SSI population is an older group: more than half of the state's SSI-disabled adults are over 50 years of age, and nearly half of Massachusetts' blind adult recipients are over 65.

Most SSI recipients are white (U.S.: 65%; Massachusetts: 87%), and most are women (U.S.: 65%; Massachusetts: 70%).

Despite the fact that SSI recipients are advancing in years, most retain some independence in their living situations.

Between 80 and 90 percent live either in their own households, in the homes of family members who provide room and board, or in rest homes and similar non-medical facilities. Roughly the same patterns of housing arrangements are found in Massachusetts as in the rest of the nation: fewer than ten percent of SSI recipients live in the homes of non-relatives,<sup>80</sup> and from five to six percent are in institutions (such as nursing homes) which receive Medicaid funds.<sup>81</sup>

SSI often provides only a supplement to a person's income, just as the program's name implies. Many SSI recipients have other income sources, primarily consisting of Social Security (OASDI) benefits. For example, during the month of December 1978, almost two-thirds Massachusetts' SSI caseload received regular Social Security (OASDI) benefits (averaging about \$200 monthly), and about one-third had "unearned" income from another source (averaging \$30 to \$50),<sup>82</sup>

While it is not typical for SSI recipients to work, some recipients have earnings which are considered in calculating their

SSI grants.<sup>83</sup> Given the variety and frequency of other income sources, SSI grants are typically less than the maximum benefit levels.<sup>84</sup>

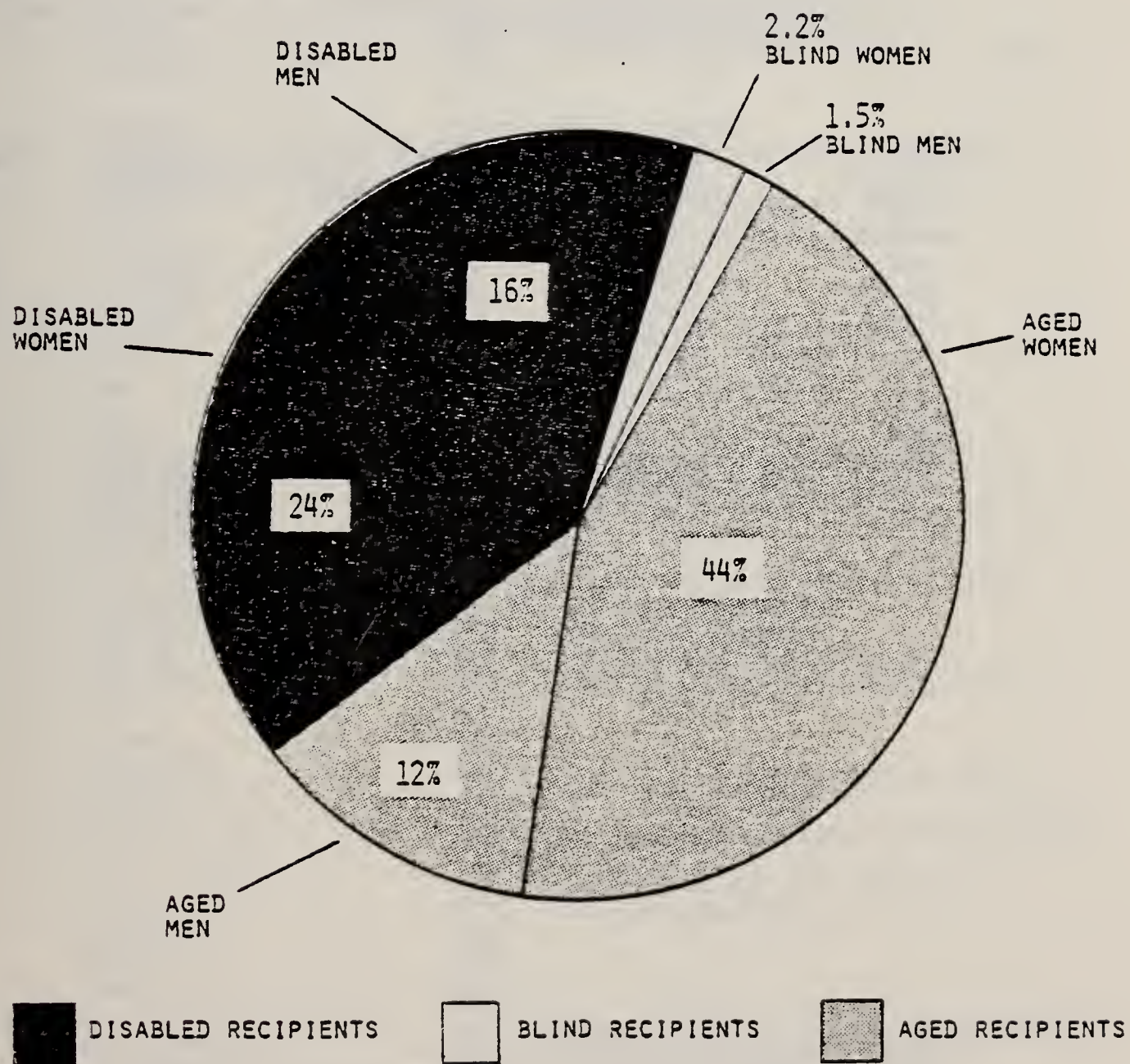
#### F. MANAGEMENT REVIEWS

The Social Security Administration conducts its own Quality Assurance program, through which the orderliness and timeliness of sampled SSI case records are reviewed. Massachusetts, in turn, has engaged in selective monitoring of this program, and has generally found SSA's reviews to be highly accurate.



FIGURE SSI-1

COMPOSITION OF MASSACHUSETTS SSI CASELOAD  
DECEMBER, 1973



Source: Social Security Administration,  
Office of Research and Statistics

TABLE SSI-1

MASSACHUSETTS SSI PAYMENT STANDARDS  
FOR FISCAL YEAR 1981

The following figures indicate SSI's maximum benefit levels for FY'81. These amounts are reduced dollar-for-dollar by income above exempted levels, as discussed in the text.

SSI Eligibility Category	Living Arrangement			
	Full Cost of Living Expense	Shared Living Expense	Household of Another	Domiciliary Care*
Individual				
Aged	\$375.22	\$285.66	\$268.63	\$350.21
Disabled	\$360.79	\$274.83	\$251.85	\$350.21
Blind	\$396.14	\$396.14	\$396.14	\$396.14
Member of a couple				
Aged	\$285.66	\$285.66	\$231.10	\$350.21
Disabled	\$274.83	\$274.83	\$220.29	\$350.21
Blind	\$396.14	\$396.14	\$396.14	\$396.14

\* "Level IV Long-Term Care Facilities" such as licensed rest homes.

Source: DPW, State Letter 510, June 20, 1980.



TABLE SSI-2

COMPARATIVE TABLE OF SSI BENEFITS FOR AGED INDIVIDUALS  
(LIVING INDEPENDENTLY UNLESS OTHERWISE NOTED), OCTOBER, 1979

STATE	MONTHLY BENEFIT (AND APPLICABLE QUALIFICATIONS)	
<u>Massachusetts</u>	\$337	(Increased July 1, 1980)
<u>Other New England States</u>		
Connecticut	NA	(Rate varies by geographic area)
Maine	\$218	
New Hampshire	237	
Rhode Island	245	
Vermont	247	
<u>Other States</u>		
Alabama	\$273	(If receiving personal care)
Alaska	\$335 or 414	(Depends on shelter costs)
Arizona	288	(If living in a nursing home)
Arkansas	208	(No state supplement to federal payment)
California	356	
Colorado	245	
Delaware	302	(If living in residential care facility)
District of Columbia	223	
Florida	254	(If receiving personal care)
Georgia	208	(No state supplement for aged)
Hawaii	223	
Idaho	262	
Illinois	NA	(Supplement varies with need)
Indiana	404	(If living in residential-care facility)
Iowa	208	(No state supplement)
Kansas	208	(No state supplement)
Kentucky	379	(If living in personal-care facility.)
Louisiana	208	(No state supplement)
Maryland	341	(If living in domiciliary-care facility)
Michigan	242	
Minnesota	242	(Higher for cases with special needs)
Mississippi	208	(No state supplement)
Missouri	208	(No state supplement)
Montana	257	(If receiving adult foster care)
Nebraska	295	(Or less, depending on shelter cost)
Nevada	251	
New Jersey	231	
New Mexico	253	(If living in residential-care facility)
New York	271	
North Carolina	400	(If receiving ambulatory domiciliary care)
North Dakota	NA	(Rate varies with rest home costs)
Ohio	208	(No state supplement)
Oklahoma	287	
Oregon	220	
Pennsylvania	241	
South Carolina	277	(If living in residential-care facility)
South Dakota	223	(If no other source of income)
Tennessee	208	(No state supplement)
Texas	208	(No state supplement)
Utah	218	
Virginia	397	(If living in domiciliary institution)
Washington	\$233 or 253	(Rate varies by geographic area)
West Virginia	208	(No state supplement)
Wisconsin	301	
Wyoming	228	

\*Different figures apply to couples, persons living with others, etc., as well as for blind and disabled persons. NA, Not Applicable.  
Source: Social Security Administration.

TABLE SSI-3  
NUMBERS OF PERSONS RECEIVING  
FEDERALLY-ADMINISTERED SSI PAYMENTS, JUNE, 1980<sup>85</sup>

STATE	TOTAL	AGED	BLIND	DISABLED
Massachusetts	127,682	69,862	5,198	52,622
<u>Other New England States</u>				
Connecticut	23,430	7,558	325	15,547
Maine	21,966	10,009	289	11,668
New Hampshire	5,308	2,094	115	3,099
Rhode Island	15,132	6,011	176	8,945
Vermont	8,989	3,803	115	5,071
<u>Other States</u>				
Alabama*86	136,114	78,195	1,893	56,026
Alaska*	3,139	1,215	62	1,862
Arizona*	29,484	11,703	545	17,236
Arkansas	79,241	44,370	1,514	33,357
California	705,459	315,090	17,438	372,931
Colorado*	31,014	13,694	344	16,976
Delaware	7,183	2,600	171	4,412
District of Columbia	15,065	4,225	199	10,641
Florida	169,414	84,338	2,622	82,454
Georgia	155,263	72,953	2,931	79,379
Hawaii	10,087	4,994	148	4,945
Idaho*	7,400	2,651	108	4,641
Illinois*	123,058	36,275	1,734	85,049
Indiana*	41,350	15,221	1,075	25,054
Iowa	25,708	11,252	1,007	13,449
Kansas	20,790	8,219	310	12,261
Kentucky*	94,793	43,428	2,031	49,334
Louisiana	138,057	67,232	2,133	68,692
Maryland	48,419	16,208	622	31,589
Michigan	117,024	40,376	1,828	74,820
Minnesota*	32,437	13,267	634	18,536
Mississippi	112,628	62,653	1,833	48,142
Missouri*	85,398	41,862	1,373	42,163
Montana	6,954	2,415	143	4,396
Nebraska*	13,671	5,583	240	7,848
Nevada	6,646	3,515	439	2,692
New Jersey	85,303	32,967	1,041	51,295
New Mexico*	25,453	10,555	453	14,445
New York	371,549	141,106	4,022	226,421
North Carolina*	141,156	65,338	3,208	72,610
North Dakota*	6,441	3,373	65	3,003
Ohio	119,435	36,196	2,264	80,975
Oklahoma*	68,173	35,061	1,000	32,112
Oregon*	22,254	7,508	512	14,234
Pennsylvania	165,070	59,020	3,390	102,660
South Carolina*	83,696	39,102	1,862	42,732
South Dakota	8,045	3,909	142	3,994
Tennessee	131,686	62,605	1,913	67,168
Texas <sup>87</sup>	263,117	150,691	4,120	108,306
Utah*	7,777	2,468	153	5,156
Virginia*	80,509	35,635	1,362	43,512
Washington	46,329	15,988	573	29,768
West Virginia*	41,208	14,069	636	26,503
Wisconsin	68,422	31,585	942	35,895
Wyoming*	1,830	776	27	1,027
U.S. TOTAL	4,155,756	1,850,823	77,280	2,227,653

\* See note 86. Source: Social Security Administration.



## APPENDIX A

### HISTORICAL SYNOPSIS OF THE AFDC PROGRAM

AFDC replaced a multitude of local relief programs, including "mother's aid." Since its inception, changes in law and policy have resulted in a number of modifications in the program and its administration:

- 1935 Social Security Act passed, including a federal matching formula providing "Aid to Dependent Children" living in poor families.
- 1950 Law amended to provide assistance for needy mothers (or other adult caretaker relatives) in the ADC grant.
- 1961 ADC Unemployed Parent program initiated on one-year basis as a state option, exercised by Massachusetts; eligibility (as at present) was contingent on the breadwinner's being unemployed after a prior work history.
- 1962 ADC replaced by Aid to Families with Dependent Children (AFDC). Amendments included: requiring a service plan for each child; providing day care for children of working parents; and diverting a portion of the monthly payment directly to landlords and other vendors if grants were mismanaged.
- Unemployed Parent Program of 1961 extended through fiscal year 1967.
- 1965 Medicaid Program (Title XX) instituted, providing partial federal support of medical payments directly to health care providers; implemented in Massachusetts, 1966.
- 1967 Work Incentive Program (WIN) instituted by Congress; adults and out-of-school older children faced disqualification from AFDC if they refused to accept employment or training offered through WIN.

Unemployed Parent Program explicitly redefined as "Unemployed Father" program by U.S. Congress.

Emergency Assistance added to AFDC program as a state option for needy families with children.

1968 Administration of Massachusetts' AFDC program, formerly a responsibility of cities and towns, assumed by the state.

1970 Massachusetts' quarterly payments instituted, consolidating individualized payments for special needs into standardized amounts for each family size.

1971 Work Incentive Program revised; recipients required to register with WIN for work or training as a prerequisite to AFDC eligibility, unless specifically exempted.

1973 Quality Control Program standardized by HEW on a national basis, requiring monitoring of the accuracy with which states process AFDC cases.

1974 DPW's Social Services functions separated from its Assistance Payments functions.

Provision of AFDC to needy pregnant women with no other dependent children, a state option, approved by the U.S. Supreme Court.

1975 Consolidated AFDC grant established in Massachusetts, eliminating certain detailed budget calculations.

1976 Computer "file matching" initiated by DPW, to check on the accuracy of AFDC case information.

1979 Unemployed Father eligibility expanded by U.S. Supreme Court's "Westcott" decision to include unemployed mothers on the same basis as fathers.

1980 Social Services functions assumed by Massachusetts' new Department of Social Services; Assistance Payments and Medical Assistance functions remain DPW's primary tasks.

DPW quarterly payments integrated with AFDC semi-monthly payments, eliminating the need for separate quarterly payments.



## APPENDIX B

### CALCULATION OF AFDC BENEFITS

As discussed in the text, the dollar amount of assistance for which a family is eligible depends mainly upon family size and is also adjusted when a recipient works. Table AFDC-2 presents DPW's current standards of need for various family sizes, indicating the present monthly payments and resulting annual income amounts.

Although the process is simplified somewhat by the "consolidated" grant arrangement, the calculation of actual benefits can become fairly complex; this is particularly so when a family member works. Provisions of the Social Security Act require that some of the earnings of AFDC families be omitted from consideration in calculating their grants; this assures that a financial incentive to work exists, and that work-related expenses are taken into account.

Some income is exempt and does not enter into grant calculations. Earnings of children under 14 may not be considered, nor Social Security payments received by students aged 18 to 21, nor certain types of educational grants and loans. Income resulting from the legally-defined incentive or training features of the Work Incentive ("WIN") program and the Comprehensive Employment and Training Act ("CETA") is not counted. Income of persons not included in the AFDC grant but sharing households with AFDC families may be excluded and is always excluded if these individuals are SSI recipients or children recognized to be self-sufficient. A few other specialized exemptions exist, primarily in response to various federal programs. Most parents' earnings, however, would not be subsumed by any of the foregoing exemptions.

The following sections provide simplified discussions of the ways in which AFDC grants are calculated for cases with no other income, for cases with "unearned" income, and for cases in which a family member has earnings from employment.

1. Cases with no other income. If no member of a family has any sort of income, the size of the AFDC grant depends on the size of the family, and can be obtained directly from Table AFDC-1. An eligible family of three with no other income would receive a monthly check for \$379.20, and would probably also be eligible for \$74 to \$101 worth of monthly food stamps.
2. Cases with unearned income. As noted in the text, sometimes an AFDC family will qualify for AFDC even though the family has income from unemployment benefits, workmen's compensation, pension or Social Security benefits, or other sources not due to present employment. Such income is deducted, dollar-for-dollar, from AFDC grants, and would also reduce a family's food stamp allotment



as determined under the regulations of the U.S. Department of Agriculture.

3. Cases with earned income. The text points out that a family can sometimes qualify for AFDC even if a family member works; or continue to receive AFDC even after a family member obtains a job or an increase in pay. In these instances, subsequent to the initial determination of eligibility, a more complex series of calculations concerning income must be carried out to take account of federally-required work incentives built into the AFDC program. Specifically, the following are deducted from a family's monthly gross earned income before calculating an AFDC grant:

A work incentive ("earned income disregard") consisting of the first \$30 plus one-third of the balance of the family's gross monthly earnings; and

Work-related expenses such as costs of child care, state and federal income taxes, union dues, health insurance premiums, uniforms, tools, transportation to and from work, and any other reasonable work-related expenses.

The federal AFDC regulations permit states to deduct standardized amounts for work-related expenses, so long as a provision is made for further deductions of actual, out-of-pocket expenses which can be substantiated.

For the sake of illustration, a sample grant calculation is presented here for an hypothetical AFDC mother with two dependent children. Let us assume that this mother earns \$435 monthly by working about 30 hours each week at \$3.35 per hour (figures which would in practice be documented by DPW's review of actual pay stubs). Not all of the \$435 gross earnings, of course, would represent actual cash income available to the family, since some will be spent on various work-related expenses such as child care, FICA and other taxes, health insurance premiums, tools or special clothing required by the job, food and travel costs, and so forth. As a matter of policy, DPW assumes that work-related expenses will total at least \$28, and recognizes larger amounts to the extent that they can be documented. We shall assume that the working parent in this case has legitimate work-related expenses which total \$150 each month.

The following calculations would apply to the case outlined in the preceding paragraph:



\$435	monthly gross earnings
<u>-30</u>	(first \$30 in monthly earnings)
405	
<u>-135</u>	(one-third of remaining earnings)
270	
<u>-150</u>	(documented work-related expenses)
\$120	income to be deducted from AFDC monthly payment standard

First, \$30 would be deducted from the family's \$435 in monthly earnings, leaving \$405. One-third (\$135) of this amount would then be subtracted, leaving \$270. These two operations satisfy the federal work-incentive requirement. Next, work-related expenses (\$150) would be subtracted, leaving \$120 as income to be deducted from the AFDC grant.

As given in Table AFDC-2, the monthly payment standard for a family of three persons with no other income would be \$379.20. Since the hypothetical family in this example has \$120 in income to be deducted from the AFDC payment standard, this amount would be subtracted to yield an AFDC grant of \$259.20 per month. The family's monthly cash income, then, would consist of \$285 in earnings (left after spending \$150 of the original \$435 on work-related expenses) and \$259.20 in AFDC benefits. Total annual support from DPW would thus be \$3,110.40, in comparison with \$4,550.40 for which the same family would be eligible if no family member had earnings or other income. In an actual case the family's total income would also be affected by a substantial reduction in food stamps due to the additional income from employment. If the family was receiving some sort of rent subsidy, or living in public housing, monthly housing costs would probably increase as well.

It should perhaps be reiterated at this point that the determination of grant size for a case with earnings occurs subsequent to the determination of eligibility. In the initial eligibility determination, the calculations would not involve the work-incentive exemption (or "disregard") of an initial \$30.00 plus 1/3 of remaining earned income. The effect of the overall policy, then, is to provide a work incentive for persons already receiving AFDC rather than to encourage presently self-supporting families to seek state aid.

A full examination of the effects of this policy is beyond the scope of this document, given the complexity of the pertinent economic factors and the several programs involved (i.e. AFDC, Food Stamps, and various housing programs which affect a fraction of the caseload.)



## NOTES

1. A dependent child: has been deprived of parental support or care by reason of the death, continued absence from the home, physical or mental incapacity of the natural or adoptive mother or father, or the unemployment of the breadwinner; is under the age of 18 (or under the age of 21 and attending school); and is living with certain designated relatives.
2. Also qualifying for the AFDC-Basic grant are families which consist of the child(ren) and certain blood relatives (such as a grandparent, an aunt, or an uncle) who have assumed responsibility for the child in the absence of a natural or adoptive parent; and dependent children whose mothers have remarried.
3. The scope of the AFDC Unemployed Parent program was recently reviewed by the U.S. Supreme Court, in the case of Westcott, et.al., vs. Califano (No. 78-689). The court's ruling extends the program to include unemployed mothers on the same basis as fathers.
4. Verification of certain information is always required at the time of initial application; such items include the applicant's identity, proof of age for each dependent, and proof of family relationships among persons included in the application. Verification may be required for a number of other items of information as appropriate to a given case, either in the initial application, when the case is "redetermined" or both. And verification is required when an applicant supplies contradictory, inconsistent or incomplete information.  
  
While written permission must be obtained from the applicant for certain third-party or "collateral" contracts to obtain relevant information, an applicant's refusal to grant this permission can be deemed an "unreasonable failure to comply with program requirements," resulting in denial of aid.  
  
Mothers are required to cooperate with efforts to locate and obtain child-support payments from the fathers of dependent children; and selected recipients are required to supply information for the Quality Control reviews, in which all the details of their cases are independently checked for accuracy.
5. Promulgation and implementation of the regulations is in accordance with Massachusetts General Laws, Chapter 30A. The regulations also appear in Title 106 of the Code of Massachusetts Regulations. The manual is the final reference and has the force of law. Both the Manual and the new AFDC Worker Handbook summarizing major procedures, are available for inspection at DPW offices.
6. For example, the regulations provide that a child may be cared for by a step-mother, a grandparent, or even a grown sibling or half-sibling. Only dependent children and their natural or adoptive relatives are eligible for AFDC in Massachusetts.
7. The federal requirement of living in a place of residence maintained as a home occasionally works to the disadvantage of families who have no homes. In such cases, DPW staff attempt to arrange temporary housing. Once a family has obtained a temporary address, its application for AFDC can be considered.
8. Briefly, the relative must be a parent, sibling, cousin, aunt or uncle, grandparent, or a specified "great" or "great-great" blood relative. The relative may also be a step-parent or half sibling; an adoptive parent; or a spouse of one of the foregoing (even if the marriage has been terminated by death or divorce). Sometimes children remain eligible for benefits even though the parent with whom they are living has remarried.
9. For the family to receive aid under this program, the designated Unemployed Parent must either have a work history (typically six or more quarters during the preceding 4½ years) or have met the requirements of specified work registration or training programs within a designated period of time.

Applicants for the AFDC-Unemployed program must also register with the state's Division of Employment Security (DES), with the Work Incentive Program (WIN, jointly administered by DPW and DES), and be willing to accept reasonable job

(CONTINUED)



(CONTINUATION OF NOTE #9)

offers. No one can be eligible who has, without good cause, refused a bona fide job offer within 30 days prior to the application. (As noted in the text, a WIN registrant who drops out of the WIN program may be denied all AFDC benefits.)

In a few cases families may be eligible for AFDC while simultaneously receiving Unemployment Compensation, in the event that the latter fails to provide financial support at the level of an AFDC grant. AFDC would merely provide a supplement, with the amount of unemployed benefits deducted from the AFDC grant on a dollar-for-dollar basis.

AFDC regulations do not allow payment of "unemployed parent" benefits to families in which someone works more than 100 hours per month. Therefore, while some of these cases involve working parents (working less than 100 hours per month and qualifying financially for AFDC), it sometimes happens that a family is denied AFDC because a family member works too many hours to be eligible (even though the family would qualify financially). In the latter event the family might or might not be eligible for General Relief, depending on the family's income and assets.

10. For example, in some states (though not in Massachusetts) aid is available to non-relatives who are deemed "essential persons" within the household.
11. Some families denied AFDC might qualify for Food Stamps or Medical Assistance. Families with very low incomes and assets might qualify for General Relief (discussed in a later section of this document). Foster children constitute a separate group within the state's program, and are omitted from this discussion even though state funding for foster children is financed under AFDC.
12. Not included in this \$1,000 limitation are: a single automobile; a family's residential dwelling; personal effects such as household supplies, furniture, and clothing, the first \$1,000 in cash surrender value of life insurance, and a few other categories of assets.

Assets which become available when a family loses its home due to fire, flood, highway construction, urban renewal, etc., may be exempt if used to purchase another residence. Certain types of assets set aside for pensions, college expenses, etc., may also be exempt, depending on the details of each case in relation to the relevant regulations. Home grown food is exempt from consideration as an asset, as are food stamps and a single cemetery plot for each member of the assistance group.

13. Unless specifically excluded from consideration, all the income of a family is taken into account in deciding whether the family qualifies for AFDC. Earnings of a child under 14 are exempt, as are the earnings of certain self-sufficient children (who, of course, would not be included in the grant).

In the initial determinations of eligibility, the only deductions from earned income are for work-related expenses; i.e., a \$28 monthly standard deduction which DPW assumes is the minimum needed by a full-time worker (to cover clothing lunches, etc.) and other work-related expenses to the extent that these can be documented. Such additional work-related expenses may include state and federal income taxes, FICA, child care expenses, or travel to and from work. The so-called "disregard" of a portion of earned income as a work incentive to AFDC recipients does not apply in determining initial eligibility, but only applies in calculating the grant amounts for families whose eligibility has already been established.

Unearned income included in the eligibility determination includes (but is not limited to) dividends, interest, unemployment compensation payments, pensions, OASDI (Social Security) benefits, Veterans benefits, capital gains, contributions from friends and relatives, prizes, and "in kind" income such as free rent or food.

Many further qualifications would be necessary to cover every conceivable case; but these would generally describe atypical situations. Of these, the most notable concerns the income of a person receiving SSI benefits: even though an SSI recipient may be living in the household of an AFDC family, the SSI recipient's resources and income may not be considered in determining eligibility for AFDC (nor would the SSI recipient be included in the AFDC grant).



14. In Massachusetts the terms "benefit level", "need standard", and "standard of need" refer to the same amount, i.e., the amount of aid for which a family of a given size with no other income would be eligible.
15. In the initial eligibility determination, all income is considered unless exempted (as discussed in note 13 above). Earned income, for initial eligibility purposes, is reduced to take account of work-related expenses. After initial eligibility has been established, additional federally-required work incentives would be taken into account as discussed in Appendix B.
16. This amount is derived from a series of steps, as discussed in Appendix B. Briefly, \$30 plus one-third of remaining earnings are subtracted from the recipient's earned income; then work-related expenses are subtracted. The result is deducted from the amount given in Table AFDC-2, to arrive at a family's AFDC grant amount.
17. The benefit level for a three-person family is presented in the next because that figure corresponds most closely to the "average" family size (mean: 2.9 persons). For a four-person family with no other income, the fiscal 1981 benefit level is \$444.50 per month. Cf. Table AFDC-2, which reflects Massachusetts' 6% cost-of-living increase adopted for fiscal 1981. During the third quarter of fiscal year 1981 (January to March 1980), the average Massachusetts AFDC grant was between \$325 and \$330 per month, reflecting the cost-of-living increase.

National data, and state data for certain variables, are not yet available for the entire 1980 fiscal-year period as this is written.

Given the complexity of program differences from one state to the next, benefit-level data are particularly different to compare precisely with figures from other states. Differences arise in the features of AFDC which each state adopts, in the ways that families' needs are conceptualized to establish benefit levels, in the details of specific regulations, in demographic factors (such as the average number of recipients per case), and in reporting techniques (which may not always be consistent from one state to the next at a given point in time).

18. Source: U.S. Department of HHS, Assistance Payments Statistics, February 1980.
19. Inflation has outpaced benefits, but space does not permit a full discussion of this complex issue. One problem is that Boston has been among the two or three metropolitan areas with the highest cost of living in the United States during recent years, but comparable data is not readily available for the rest of the state.  
  
The task of assembling accurate national data on benefit levels is further complicated by states' attempts to compensate for inflation. States' cost-of-living adjustments to their welfare programs vary, and are implemented on different timetables. A good discussion of many of the issues involved may be found in a paper by Manuel Helzner titled, "Welfare Forecasting in a Period of Inflation." (To be published by HHS in the proceedings of the 20th Annual Workshop on Welfare Research & Statistics, Madison, Wisconsin, July, 1980.)
20. For more information on the many program features which influence grant determinations, the reader is referred to HHS' volume, Characteristics of State Plans for Aid to Families with Dependent Children (1980 edition).
21. Source: U.S. Department of HHS, Assistance Payments Statistics, February 1980. The \$275 average figure excludes data for Guam, Puerto Rico, and the Virgin Islands.
22. Mothers with children under six years of age constitute the largest group of recipients who are exempt from this requirement, comprising between forty and fifty percent of the caseload. Exemptions also include children who are themselves under age 16, or under 21 and attending school full time; such children would not themselves be required to register for work, unless over 16 years of age and not attending school.

Additional exemptions include mothers whose husbands (or other male relatives, e.g. sons, included in their grants) are already registered for WIN; and recipients who are pregnant, ill, incapacitated, needed in the home to care for incapacitated family members, too distant from a WIN project location, or over 65. In general, the fathers in two-parent families are not exempt from WIN registration.



23. A parent who refuses to cooperate with child support investigation and collection efforts cannot receive AFDC benefits, though the children would remain eligible for assistance. The state's right to collect support for the amount of assistance rendered is not affected by a parent's failure to assign the rights.
24. In many cases of divorce or separation, court orders are already outstanding; in other cases, when the parents are still married, voluntary payments can be arranged.

In other cases, DPW's legal efforts result in court orders which remain in force even after recipients leave AFDC; thus, in some cases, DPW's legal efforts on behalf of the children may have consequences which last beyond, or even alleviate, families' needs for cash assistance from the state.

25. Food stamps may not be used to purchase alcohol, tobacco, or pet food, nor can they be used to buy soap, paper products or other non-food items. They can be used to purchase seeds or plants to grow food for personal consumption.
26. Excluded from the asset limit are a house, a single automobile with a value not exceeding \$4,500, personal property needed for earning a living, and certain other exempt resources. When a household consists of two or more persons and at least one of them is over 60 years of age, the asset limit is \$3,000; the limit is \$1,500 for all other households, including all one-person households.
27. Income is verified through the use of third party information or documentation to establish the accuracy of information provided by the applicant.
28. A full discussion of Medicaid policies and procedures is beyond the scope of this publication.

In addition to AFDC recipients, federal regulations also provide that certain other low-income persons shall be eligible for Medicaid, even when their incomes make them ineligible for AFDC. In particular, elderly and disabled persons may be eligible for the state's Medical Assistance (Medicaid) program even though they are concurrently receiving Social Security, Medicare or other health insurance benefits, when the other benefits fail to cover their actual health care or nursing home costs. The elderly and disabled comprise only 30% of all Medicaid recipients but account for 71% of Massachusetts' Medicaid expenditures, which totalled \$773 million in fiscal year 1979. (Fiscal 1980 figures are not yet available, since it takes a number of months for all claims to be settled).

Others who are eligible include: blind persons who receive SSI benefits; foster children and other dependents of the state; and many families who qualify for Medicaid but no other welfare program. Childless, non-disabled adults who have not yet reached age 65 are not eligible for Medicaid.

29. Source: preliminary HHS Assistance Payments Statistics, May, 1980. The AFDC figures in the text exclude 1980 cases in which aid was provided to 2201 Massachusetts foster children, while Tables AFDC-2 and AFDC-3 include foster children for purposes of interstate comparison since federal sources generally combine these figures though Massachusetts usually does not.

A number of technicalities can introduce apparent inconsistencies into AFDC statistics, so that different sources may indicate unequal totals for the same category. Examples of complicating factors include recently approved applications and retroactive payments, either of which might be included or excluded from totals compiled for a given purpose at a particular time. Such problems exist with some of Massachusetts' own caseload data, as well as with data from other states.

30. The term "Basic" refers to the most common reason for AFDC eligibility, deprivation of a parent's support. A family in which one parent is disabled may also be considered a basic case, though most consist of children living with only one adult.
31. Examples would include relatives other than parents who did not have legal obligations to support the children; remarried mothers (whose husbands have not adopted the children and are not legally obligated to provide support); and mothers who refuse to cooperate with DPW's investigative efforts to locate their children's fathers.



32. About 6.1% of Massachusetts' population received AFDC benefits during June, 1979; but comparison with the most nearly comparable national figure (4.7%) is slightly misleading due to program differences between states. Many states provide no aid to families of unemployed fathers, for example, and various other differences exist as outlined in Table AFDC-1. In general, the larger states have larger welfare caseloads, as will be seen from Table AFDC-4.
33. As shown in Table AFDC-5, 49 states (as well as Washington, D.C.) had increased numbers of cases, though only 39 states (plus D.C.) had increases in the numbers of recipients. The difference is attributable to the decline in family size which has occurred over the years.
34. Formerly the Department of Health, Education and Welfare (HEW). References to published sources printed before the change will cite the earlier name. The factual material presented in this section draws from several surveys conducted by HEW and DPW from 1977 and 1979. The exact percentages vary from one study to another, because each study is based upon a sample of cases rather than upon all the cases. For this reason, the reader is asked to regard all descriptive statistics in this section as rough estimates.
35. Preliminary data from HEW's 1979 AFDC Characteristics Study suggests that about one of every ten Massachusetts AFDC families had four or more children; about 14% had three children, about 30% had two children, and nearly half of the state's caseload (46.5%) had only one child.
36. Prior to January 1, 1980, the minimum wage was \$2.90 per hour; after January 1, 1980 it was \$3.10 per hour. DPW's most recent survey indicating that among the 22% of basic AFDC cases who were working in January or February, 1980, the mean wage was \$3.68 per hour before deductions. Men in the Unemployed Parent cases reported having earned an average of \$4.20 per hour, while the 40% of their wives who had previously worked reported mean hourly earnings of \$2.81 per hour.
37. A DPW survey, conducted January and February, 1980, indicated that the average "basic" AFDC case had received AFDC for about 43 months (3 years, 7 months); the average "unemployed parent" case for about 20 months. About two-thirds of families in this sample were receiving AFDC for the first time; the remainder had received aid at least once in the past.

The three to four-year average is also consistent with data from HEW's 1979 AFDC Characteristic Survey, which indicated that about 34% of Massachusetts' AFDC cases had been receiving aid for two years or less, 29% for two to five years, 28% for five to ten years, and only 7% for more than ten years.
38. As this is written, twenty-eight states have higher administrative costs than Massachusetts; these states include ten of the fifteen states with the largest AFDC caseloads, New York has the highest cost per case at this writing (\$696.33), followed by California (\$480.44), Pennsylvania (\$436.00), Illinois (\$396.00), and so forth; Massachusetts' cost per case is presently about \$314.59 per year.
39. Even seemingly minor matters are receiving attention in this effort, such as the adequacy of filing systems, crowding of desks, and enforcement of maintenance contracts for the photocopying machines needed to copy legally-required documents establishing AFDC eligibility.
40. Federal "Quality Control" is a program which reviews the eligibility of a statewide sample of cases through face-to-face contact with recipients and verifications of key facts. The state's "Quality Assurance" program consists of a detailed series of paper-and-pencil reviews of the case records in individual offices, a procedure which is somewhat more economical. When the Quality Assurance program was initiated several years ago, the two procedures were shown to be significantly correlated.
41. Source: HEW, Characteristics of State Plans for AFDC (1980 Edition, the most recent available at this writing). Table AFDC-1 was prepared to illustrate the reasons for discrepancies which may be observed in certain welfare statistics from one state to another. At least four factors must be reviewed simultaneously to place national welfare statistics in proper perspective:
  - a) State policy options, such as payment coverage of pregnant women with no other children in care and of families with unemployed parent(s);



- b) Other conditions of eligibility, such as: the requirement that children be below a certain age; provision for sometimes aiding certain "essential persons" in addition to actual family members; provision for deducting specified restriction of total payments to a specified maximum level; and so forth;
- c) Caseload characteristics, such as the average number of recipients per case and percentage of cases with deductions for earned income; and
- d) Temporary situations, artifacts of reporting procedures, and statistical artifacts.

Table AFDC-1 lists some of the more significant policy variations. The presence of some of these factors would tend to lower the average payment per case (for example: coverage of pregnant women with no other children in care; more restrictive definition of essential persons; specification of maximum payment per case or maximum number of recipients per case; larger percentage of clients with earned income; and larger average number of recipients per case). The presence of several such policy and caseload characteristics in a single state can cause some of the statistics to be seriously misleading if they are compared with figures from other states.

A full discussion of the underlying issues, beyond the scope of this presentation, would also have to address changes over time, differences in reporting procedures, and state differences in cost-of-living adjustments.

- 42. Aid to unborn children. Thirty-three states provide AFDC to needy pregnant women with no other children in September, 1979. In about two-thirds of these states, including Massachusetts, this aid is calculated for one person only; in the rest, the AFDC grant is for two persons (i.e. both the mother and the unborn child). Most states require a medical examination to confirm the pregnancy, and in a few states AFDC is not provided until the pregnancy has existed for a specified number of months.
- 43. Upper age limit. Every states sets a maximum age for AFDC children as an eligibility condition. In 40 states children who remain in school may remain eligible until age 21 so long as the school provides training reasonably related to increasing employment prospects. Children who do not remain in school usually cease to be eligible at age 18.
- 44. Unemployed parent program. AFDC is extended by 25 states (and the District of Columbia) to needy two-parent families in which the primary wage-earner is unemployed and meets other criteria of the unemployed parent program which vary slightly from state-to-state. Typically, an applicant is required to register for work, and to accept any reasonable job offer. In some states stipulations are made regarding payments to persons involved in labor disputes, or persons whose unemployment appears to be the result of their own misconduct.
- 45. "Essential persons". Twenty-five states provide AFDC benefits to needy persons in an AFDC household who would not otherwise be eligible for assistance but whose presence in the household is deemed essential to the well-being of a recipient. In 13 states, anyone who is deemed essential may be included in an AFDC grant. Eleven states will only recognize certain relatives as essential persons; and in six of these states (including Massachusetts) only the spouse of a child's parent may receive aid as an essential person. In the state of Washington, the category includes a second parent in situations where two unmarried parents have a child in common. The effect of these varied policies, of course, is that aid is provided to different numbers of adults for different reasons, from one state to another.
- 46. Fully or partially consolidated need standard. Since it would be very time-consuming to ascertain each family's detailed needs on an item-by-item basis, most states use tables of standardized dollars amounts to arrive at the amount of an AFDC grant. In some states, the entire grant is derived from a "fully consolidated" or "flat" grant table, such that each family of a given size (with no other income) would always received the same amount. In other states, a "partially consolidated" grant schedule is used, with adjustments made on an individual family basis for certain items such as rent.
- 47. Geographical adjustments to need standard. Since the cost of living may vary significantly within a state, some states provide different amounts of money to recipients depending upon their residence location. If the state has a consolidated

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(CONTINUATION OF NOTE #47)

grant procedure, this means using a different table of grant amounts for each designated geographic area. States with partially consolidated grant arrangements can achieve more elaborate adjustments. For example, New York sets differential maximum amounts for rents which may be paid to recipients living in each county; Michigan does the same for six "zones" around the state; and Louisiana makes a distinction between urban and rural areas in calculating an AFDC recipient's grant.

48. "Special income disregards." Beyond the federally-required work-incentive features of AFDC (as discussed in the text and in Appendix B), some states elect to set aside small amounts of families' income from other sources. Four states disregard up to \$5.00 of income per month from any source for each person in the grant. Thirteen states provide for special arrangements to preserve the earnings of AFDC children for future uses such as college expense. Thirty-six states, including Massachusetts, elect neither of these options while Maryland and the District of Columbia elect both of them.
49. "Special circumstances items." Thirty states provide aid for special needs which may arise in individual cases. Typically, such states list the approved reasons for which such special aid may be provided as part of the state's AFDC regulations. Many of these states, for example, specify that an allowance may be made for some of the needs of a pregnant mother; some states stipulate that AFDC grants may be increased only to provide for special diets, medical transportation, guardian fees, insurance, in-home care or services, or various other designated expenses. Many of these specifications seem a bit miscellaneous, such as guide-dog food in Idaho and tree-removal service in Iowa. When the effects of each state's specifications are taken into account, however, it becomes more difficult to state an exact figure for the standard amount of an AFDC grant in some of the states.
50. Payment of full need standard. About half of the states calculate a recipient's grant directly from the need standard; in other words, a family of a given size receives the amount of money indicated for that size family in an official table. In the remaining states, the amount obtained from such an official table is multiplied by a percentage figure to arrive at the final grant. Thus, the actual amounts paid to recipients would correspond to published tables for the former states, but would differ by various percentages for the latter states.
51. Maximum payment. Fourteen states set a fixed dollar limit on the amount of money which can be paid to families of given sizes. In a few states, this limit applies only to large families rather than to all AFDC families.
52. The state "need standard", as listed in Table AFDC-3, is the financial amount stipulated to cover all basic needs of one adult and three children as of September, 1979, in each state. The amounts indicated in the table represent preliminary data and are subject to revision. Final data may be obtained from the Office of Management Support, within the Social Security Administration's (SSA's) Office of Family Assistance.

Since no single conceptual framework or timetable is consistently followed by all states in changing program details of type, it is difficult to arrive at a precise national picture. Moreover, SSA's procedures for compiling national need standard data have been under review.

The reader should note that the preliminary data presented for both the need standard and the maximum benefit paid represent amounts designated for families of four people, whereas most other illustrations throughout this discussion have mentioned families of three people. For purposes of illustration here, it seemed appropriate to discuss a three person family because of the national (and Massachusetts) average AFDC family size of 2.9 persons; but three-person-family preliminary data was not available from SSA at the time this publication was prepared.

53. Some states impose a limit on the dollar amounts of AFDC payments as discussed in note 52 above. The second column in Table AFDC-2 indicates the maximum benefit paid in each state to a family of one adult with three children as of September, 1979. Again, these are preliminary data; final data may be obtained from the previously cited Office of Management Support within SSA.



54. The average payment per recipient represents state expenditures as reported to the federal Department of Health and Human Services (formerly HEW), i.e., the total amount of reported state payments to AFDC recipients divided by the number of reported AFDC recipients. Source: HEW's (now HHS') Public Assistance Statistics, June, 1979. Certain technical factors complicate the comparison of these statistics from one state to another, as discussed in the detailed footnotes to this source and in footnote 41 above.
55. The average family size, as listed in Table AFDC-3, represents the mean number of persons comprising an AFDC assistance group in each state. It is not especially uncommon, of course, for relatives or others to be living in the same household who are not included in the AFDC assistance group. Source: Public Assistance Statistics, September, 1979.
56. The average payment per case, as listed in Table AFDC-3, represents actual state payments to AFDC recipients divided by the total number of AFDC cases. Source: Public Assistance Statistics, September, 1979.
57. The averages presented in Table AFDC-2, are not entirely comparable with each other. Data on need standards and maximum benefits paid were simply averaged across states without respect for the size of a given state's caseload. Average payments figures were obtained by dividing national total payments by national totals of cases and recipients; hence, large states would be weighted more heavily. And, as previously noted, the need standard and maximum benefit figures apply only to four-person families; comparable data for three person families had not been received by DPW as this was written.
58. Total AFDC recipient and caseload figures in Tables AFDC-4 and AFDC-5 include basic, unemployed father, and foster care segments as given in the federal Public Assistance Statistics series. Massachusetts generally presents data in its own summaries without including the foster care cases. The federal figures (including AFDC foster care cases) are presented to ensure comparability between states. State population data may not sum to national totals due to rounding.
59. See note 58, above.
60. General Relief Eligibility Requirements, 6 CHSR III, Part 312, Subpart A, Section 312.180.
61. The provision of GR benefits to persons over 45 years of age, as noted in the text, is presently under review. At this writing it is not known whether the provision will be retained or discontinued.
62. The budget of an individual or family is taken into account in determining eligibility, so that no fixed dollar amount would apply to every case. Typically, however, a family of four would not be eligible if its income exceeded \$4700 annually; and a single individual probably would not be eligible if his or her income exceeded \$2175. The exact figure for a specific case would depend on the amounts spent for rent, utilities, food, etc., all of which are subject to limitations.
63. Monthly Budget Item Schedule, as partially illustrated by figure GR-1.
64. Provisions also exist for certain deductions from income to take account of work-related expenses (taxes, union dues, etc.) for a recipient who is employed, or business expenses related to income from real estate, taking in roomers or boarders, or operating a small business. Income of spouse is also considered, unless the spouse is receiving SSI benefits in which case a reduced GR budget schedule is used. Income earned by children under 14 years of age is exempt from consideration.
65. Source for caseload data: DPW Caseload and Expenditure Report. Source for recipient data: DPW Monthly Summary and Expenditure Report. These two sources are the most accurate ones available for the respective figures, although each follows slightly different tabulation procedures; thus the figures are not strictly comparable between the two sources.
66. There is presently no evidence to indicate the extent to which persons recently discharged from state institutions are receiving GR, although it seems likely that some of these persons would qualify.
67. As discussed in footnote 62, the cut-off point for a family of four would typically be about \$4200 a year, or about \$80 a week.



58. One of the general requirements of the SSI program, dating from its inception, results in special treatment for a subgroup of Massachusetts' SSI cases. When the SSI program began, all states were required to continue providing assistance to individuals who had been receiving corresponding categories of state aid in December, 1973, so long as these individuals did not cease to be eligible for the previously-defined programs. In Massachusetts, this originally required that higher benefits be paid to about 66,000 individuals commencing in December, 1973. Most of these individuals are no longer living. While roughly 4000 of these "mandatory payment" cases are still included among Massachusetts' SSI cases, federal cost-of-living adjustments for the non-mandatory cases have generally reduced or eliminated cash differences in benefits paid to the mandatory cases.
69. More specifically, persons visiting a Social Security office to apply for SSI should bring:
  - Proof of age (unless already receiving Social Security checks);
  - Recent tax bills or assessment notices for any real property other than a home;
  - Names of any persons who help with financial support, and the amounts of money they provide;
  - Bank books, stock certificates and bonds;
  - Motor vehicle registration;
  - Proof of pensions and annuities;
  - If blind or disabled, a list of doctors, hospitals and clinics which have provided treatment; and
  - If self-employed, a copy of most recent tax return.
70. The blind category includes persons having 20/200 vision or less in the better eye with the use of correcting lens; those with tunnel vision of 20 degrees or less; and certain persons who had qualified for earlier state programs of Aid to the Blind.
71. Disability is defined as the inability to engage in any substantial gainful activity due to a medically determinable physical or mental impairment that has lasted or can be expected to last for a continuous period of at least 12 months, or a physical impairment expected to result in death. Additionally, a child under 18 who has an impairment of comparable severity with that of an SSI adult may be considered disabled, as well as certain persons who had qualified for earlier state programs of Aid to the Partially and Totally Disabled.
72. In determining total household income, the income of an applicant's spouse (or parents) is also taken into account, even though the spouse (or parents) may be ineligible for SSI benefits and would not be included in a resulting SSI grant.
73. After the initial \$20 household income exemption, any other income which does not result from present employment reduces the SSI grant on a dollar-for-dollar basis. Included in "household income" for this purpose is all income from Social Security (OASDI), Veterans' benefits, pensions or annuities, Workmen's Compensation, gifts, and any other source which does not represent earned income. Special exemptions are made for certain blind and disabled individuals, following more detailed regulations which apply to some of these cases.
74. When a recipient works, income due to earnings is given special treatment over and above the initial \$20 household exemption: the first \$65 and half of any additional earned income are also disregarded.
75. In the last instance, eligible nursing home residents would depend on Medicaid for nursing home costs, but would receive \$35 a month as a personal care allowance from SSI.
76. Massachusetts' SSI "vendor payments" to rest homes (which do not receive Medicaid funds) may be increased above the normal benefit levels if the regular SSI payments are insufficient to cover the cost of rest home care. In such cases recipients would also receive a monthly personal care allowance of up to \$80 a month.
77. The SSI caseload statistics presented in the text were developed by the Social Security Administration's research staff. Researchers who wish to study changes in the SSI caseload over time are cautioned that some past data from SSA's budget office has apparently indicated the numbers of checks written monthly rather than the numbers of persons receiving those checks. This has led to some confusion, since there may be 2,000 or more Massachusetts SSI recipients in a given month who receive a second check, typically for a retroactive payment of some sort.



78. As this was written, the most recent national compilations described the SSI caseload of December, 1978. Since the SSI caseload is relatively stable over time, these figures may be regarded as generally descriptive of the present caseload though slight variations would be expected.
79. Most of the difference in the caseload proportions as cited in the text is attributable to larger numbers of aged and blind recipients, who constitute larger fractions of Massachusetts' total population than do their counterparts in the U.S. population.
80. Blind and disabled recipients are more likely to live with non-relatives than are aged SSI recipients.
81. Persons in institutions funded by Medicaid are likely to be receiving short-term care, or to be "in transition" to or from a medical facility. If an elderly SSI recipient requires permanent nursing-home care the funding is generally provided by Medicaid rather than by SSI. Details of the state's Medicaid funding for nursing homes are presently undergoing review.
82. Sometimes "unearned income" is "in-kind" income such as free room and board. Veterans' benefits, income from rents, interest or dividends, and income from a private pension would also illustrate this category. Occasionally SSI recipients' unearned income is from such programs as Railroad Retirement, black lung benefits, or various private charity programs.
83. Less than one percent of Massachusetts' aged SSI caseload worked in December, 1978, with average earnings of \$128; four percent of the disabled caseload worked, with average earnings of \$111; and just over seven percent of the blind caseload worked, with earnings averaging \$453.56 per month.
84. A full discussion of SSI payment statistics would have to take account of the different patterns for each type of case; for example, aged SSI recipients are more likely to have additional income due to OASDI benefits. Presentation of the many possible cross-tabulations of fiscal information broken down by program categories is beyond the scope of this brief discussion.

More detailed information on state-to-state differences in SSI program funding and caseload composition may be obtained from SSA's booklet, Program and Demographic Characteristics of Supplemental Security Beneficiaries, December, 1978.

85. Table SSI-3 includes persons receiving federal SSI payments and/or federally-administered state supplements, unless otherwise indicated by notations for the individual states.
86. Data for the states indicated by an asterisk (\*) represent federal payments only. In these states, state-funded supplementary payments were administered by the states themselves rather than by the Social Security Administration, and national tabulation is not available at this writing.
87. Data for the state of Texas represent federal SSI payments only, since Texas provided no state funds for this program for June, 1980.

